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October 28, 2022

Mr. Spencer Smith  
Office of the United State Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

**Re: Docket Number: Docket Number USTR-2022-0013 Comments by the U.S. Meat Export Federation Regarding Foreign Trade Barriers to U.S. Exports**

The U.S. Meat Export Federation (USMEF) appreciates the opportunity to submit comments concerning trade barriers, with an emphasis on unwarranted sanitary measures. USMEF is a non-profit trade association that represents the export interests of the U.S. beef, pork and lamb industries through its network of offices and representatives in foreign markets. USMEF's membership includes a broad cross-section of American agriculture and includes farmers, meat packers, processors, purveyors and traders, agribusinesses with an interest in U.S. meat exports and other agricultural organizations. In addition, USMEF works closely with the United States Department of Agriculture and is a long-standing partner of the USDA Foreign Agricultural Service through the Foreign Market Development Program and Market Access Program.

Despite numerous headwinds, including shipping and logistical constraints, U.S. beef and pork exports reached a combined record \$18.7 billion in 2021 and exports are expected to near \$20 billion in 2022. The U.S. is the number two exporter of both beef and pork globally, following Brazil in beef and the combined EU-27 in pork. Exports are accounting for a record 15.5% of U.S. beef and variety meat production and nearly 27% of U.S. pork and variety meat production. Exports are critical to the entire production chain because they add value to every animal produced and in turn increase demand for U.S. corn, soybeans, cattle and pigs. Exports are especially essential during times of elevated production costs and economic uncertainty because they enable producers to sell to the consumer most willing and able to pay. Customers around the world are impacted differently by the evolving economic situation and have differing tastes and preferences, thus Japan's demand for the majority of U.S. beef tongue and Mexico's appetite for the majority of U.S. bone-in ham and pork shoulder exports. The economic benefits of U.S. red meat exports are far-reaching.

Based on USDA/ERS trade multipliers\*, **U.S. beef and pork exports of \$18.7 billion in 2021 contributed additional export activity of \$30.45 billion for combined total economic output of \$49.14 billion. Total jobs related to meat exports are estimated at about 211,664.** \*2020 multipliers applied to 2021 export data

For crop farmers, red meat exports accounted for **an estimated 537 million bushels of corn and 3.4 million tons of DDGS usage in 2021 with a combined value of \$3.65 billion. Pork exports accounted for an estimated 99.3 million bushels of soybeans, valued at \$1.3 billion.** (Source: The Juday Group)

In these times of heightened awareness of and concern about food security, climate change and inflation, it is important for U.S. agriculture to lead with proactive trade policy. The



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continued focus on embracing technology and efficiency gains, open and transparent markets, rules and science-based trade, and engagement with trading partners is essential to the continued success of U.S. farmers and ranchers and the entire supply chain.

Wholesale prices for U.S. beef and pork are well off their recent highs, but costs of production are not expected to ease in the near term. Reducing market access barriers is one way of reducing costs and increasing opportunities for U.S. producers and exporters. The U.S. must lead the effort to avoid a new era of trade barriers being promoted by the EU through its Green Deal, Farm to Fork and Biodiversity Strategies, where heavy regulation rather than outcomes-based approaches is being pushed onto global producers and exporters. There are few countries with the natural resource advantages of the United States, and U.S. agriculture relies on growing export markets for a sustainable future. This underscores the need for U.S. leadership.

The inflationary environment has also caused certain governments to temporarily reduce or eliminate duties on imports of red meat. This includes Mexico, South Korea, the Philippines and the Dominican Republic. These tariff reductions have often benefited competitors to U.S. red meat but it was nevertheless encouraging to see governments realize the benefits of tariff reductions. USMEF continues to monitor even more creative measures being rolled out by the government of Mexico. There has been concern that sanitary (food safety and animal health requirements) would be waived and would cause a shutdown in trade between Mexico and the United States. Full details have still not been published, so the issue must continue to be monitored.

Our previous two submissions highlighted the significance of the U.S.-China Phase 1 agreement, the U.S. Japan Trade Agreement and the U.S.-Mexico-Canada Agreement (USMCA). These agreements continue to provide opportunities for U.S. exports to the four top markets for U.S. red meat. We are also appreciative of the revised U.S. beef safeguard trigger agreement reached with Japan and look forward to Diet ratification, hopefully before the end of the calendar year.

The Phase 1 agreement with China included exceptional market access gains for U.S. beef, including adoption of Codex MRLs for growth-promoting hormones, acceptance of the U.S. traceability system, expanded eligibility for nearly all U.S. beef cuts from cattle of all ages, an expanded list of eligible beef and pork plants, and eligibility for further processed products. These are tremendous market access gains that have translated into record-breaking U.S. red meat exports to China. The agreement was well-timed because China faced a shortage of red meat due to African swine fever (ASF) from late 2019 through mid-2021. Although China quickly recovered from COVID-19 in early 2020, its zero-COVID strategy negatively impacted trade, especially since mid-2021. China's restrictions on "cold chain food" are discussed in more detail below. China's retaliatory tariffs due to the 301 and 232 investigations remain in place, and have been a tremendous barrier to U.S. pork and pork variety meat exports to China. China's exemption process for Section 301 retaliatory duties, established in early March 2020, helped underpin growth in U.S. beef and pork exports. Unfortunately, the Section 232 steel and aluminum retaliatory duties of 25% remain for U.S. pork and pork variety meats, keeping the U.S. at a disadvantage compared to China's other pork suppliers. The retaliatory duty in China also means U.S.



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exports of certain cuts, including hams and picnics which are heavily exported, trade at a discount to U.S. competitors and translate into lower prices for U.S. producers.

USMEF expects U.S. beef exports to China to reach \$2.4 billion in 2022, up from \$1.59 billion in 2021 and just \$310 million in 2020. U.S. pork exports reached a record \$2.28 billion in 2020, eased to \$1.7 billion in 2021, and are estimated at \$1.4 billion in 2022 as China's pork production rebounded from ASF and as retaliatory duties continued to limit U.S. market share. China trails only Japan and Korea as the third-largest market for U.S. beef and follows Mexico and Japan as the third-largest market for U.S. pork. Recent uncertainty about China's enforcement of a zero-tolerance policy for ractopamine in beef and continued zero-COVID testing, tracing and disinfecting policies on beef and pork are of great concern to the U.S. red meat industry. China adds tremendous value through its demand for U.S. pork feet, stomachs, heads, hams and shoulders, several U.S. cuts including beef short plate, as well as abomasum, omasum and other variety meats. It is critical that the Phase 1 agreement be maintained, and that all efforts are made for positive engagement with China.

Upon implementation on Jan. 1, 2020, the U.S.-Japan Trade Agreement stimulated significant growth in U.S. beef and pork exports to Japan, historically the highest value market for U.S. beef and pork globally. With a level playing field and benefiting from Japan's tariff reductions, USMEF's forecast for 2022 is for U.S. beef and pork exports to Japan to reach \$2.4 billion and \$1.5 billion, respectively. Export volumes are projected to be roughly 310,000 metric tons for beef and 367,000 metric tons for pork. Exports have been somewhat constrained by the shipping and logistical challenges, especially U.S. chilled exports as Japan is the largest waterborne customer for chilled U.S. beef and pork. Japanese retailers were hesitant to feature U.S. meat because of uncertainty of availability and timing of arrivals. Restrictions on Japanese foodservice operations also persisted in much of 2021 and into early 2022, with travel restrictions on foreign visitors not lifted until October 2022. The economic situation has also been especially challenging, with the Japanese yen falling to 150 by October, making U.S. red meat dramatically more expensive (a currency devaluation of 24% compared to mid-October 2021 and the steepest devaluation of the main markets for U.S. red meat). High costs could be somewhat alleviated if the export verification (EV) program for beef to Japan was eliminated. This would also increase opportunities for value-add products, as those tariffs phase to zero under the trade agreement. Although Japan's duty on U.S. beef is phasing down through the agreement, Japan still maintains the highest import duties of any significant destination for U.S. beef. Again, USMEF appreciates the efforts by USTR and USDA to reach agreement with Japan to modify the trigger mechanism for the safeguard on U.S. beef, making it less likely to trigger in the future.

USMEF also emphasizes the need to pursue further market access opportunities. Current trade initiatives like the Indo-Pacific Economic Framework for Prosperity (IPEF), U.S. Taiwan Initiative on 21<sup>st</sup>-Century Trade, and the U.S.-Kenya Strategic Trade Investment Partnership (STIP) are lean on agricultural focus and their impacts will be minimal without tariff reductions on the table. Furthermore, the new focus of climate and sustainability in U.S. and global trade initiatives/agreements is concerning, especially if the U.S. does not strongly push the message of sustainable productivity growth and counter attempts to accomplish these goals through heightened regulatory burden such as deforestation certification.



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Looking beyond the trade agreements, the export potential of the U.S. red meat industry is limited by a range of unwarranted sanitary measures maintained by countries around the world. We believe the most effective means of overcoming these barriers is through a highly focused partnership between the U.S. government and the red meat industry, dedicated to keeping markets open. USMEF and its members have made it a top priority to work with the U.S. government to meet this objective. U.S. agriculture is extremely fortunate to be served by highly qualified and very dedicated officials at USTR and USDA who are committed to working toward the removal or satisfactory revision of these trade-restrictive measures. However, considering the large and growing number of these measures faced by the U.S. red meat industry in international markets, we respectfully submit that additional U.S. government staff and resources are needed to engage governments in importing countries to prevent the introduction of additional trade-limiting sanitary standards and requirements. Considering the impacts of high-path avian influenza and the continued risk of ASF, additional staff are needed to proactively engage with trading partners to protect and expand U.S. market access.

Learning from the BSE experience and from what has happened to European countries with findings of ASF, USMEF is extremely concerned about the potential trade impacts if the virus is found in a U.S. territory, not to mention within the 48 contiguous states. APHIS has taken the proactive approach of working with the World Organization for Animal Health (WOAH) to establish the zone of protection in Puerto Rico and the U.S. Virgin Islands and is very much focused on preventing the disease from spreading to the U.S. This must remain the top priority. USMEF also emphasizes the importance of educating U.S. trading partners on the protection zone and other measures being taken both by regulatory agencies and the U.S. pork industry to protect the United States from an ASF infection. Given that the zone of protection mechanism was adopted by the OIE in May 2021, and is therefore a relatively new concept. It is therefore critical that our government agencies work proactively with our trading partners to secure assurances that they will recognize this measure of protection if ASF is found in one of the territories, and minimize trade disruption accordingly.

Many of the unwarranted sanitary measures confronting the U.S. red meat industry were thoroughly documented in our previous submissions and in National Trade Estimate (NTE) Reports. As with our past submissions, our comments again focus on the sanitary measures that are causing the most damage to the red meat industry. USMEF surveys our exporter members and we have assigned each of the issues described below a priority (high, medium or other) based primarily on the value of lost exports resulting from the measure. But we also have taken into consideration the damaging precedent that would be set by permitting the measure to go uncontested.



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## **High Priority, Cross-cutting Issues**

### **Asynchronous Approvals for Production and Processing Technologies**

As first highlighted in the 2011 NTE report and listed as an issue for several countries in the following years' reports, unwarranted measures that restrict the use of certain production and processing technologies continue to pose a serious and ongoing challenge for U.S. red meat exports. The U.S. pork and beef industries have been quick to adopt new production and processing technologies as they are approved by U.S. regulators. This has been one of the keys to the continued competitiveness of the U.S. red meat industry in global markets. However, our beef and pork exports continue to be jeopardized by unwarranted restrictions on the use of these technologies that are adopted by meat-importing countries. A notable example is zero tolerances for residues of FDA and Codex-approved beta agonists in China, Russia, Belarus, EU, UK, French West Indies, and non-EU member states in the European Free Trade Association (EFTA). These countries, apart from China, Taiwan, and Switzerland, also ban growth-promoting hormones. Other countries, including Vietnam and Egypt, have previously proposed adopting a zero-tolerance standard for residues of beta agonists and other compounds, including synthetic growth-promoting hormones. Countries imposing restrictions on processing technologies, such as pathogen reduction treatments (PRTs), include the EU (including EFTA members and the French West Indies), Japan and Singapore. These restrictions result in restricted use lists for U.S. processors.

### **BSE-Related Market Access Restrictions**

It has been 19 years since BSE resulted in market closures to U.S. beef around the world. Thanks to hard work by USTR and USDA, most markets have reopened and remaining barriers continue to be removed, including the elimination of Japan's longstanding restriction on beef from over-30-month cattle, and Taiwan's expanded access in January of 2021. Korea continues to require U.S. beef to be sourced from cattle less than 30 months of age, while also restricting a range of offal and variety meat and product from imported cattle into the U.S. (i.e. direct slaughter Canadian cattle). Australia continues to explicitly ban U.S. beef exports due to BSE concerns. Additionally, Japan and Taiwan continue to maintain restrictions on certain over-30-month products such as head meat and imported beef from certain third countries (Japan), as well as ground beef, trimmings and certain offal products (Taiwan). These additional restrictions require that U.S. exporters maintain their USDA-AMS EV programs and continue to limit the commercial potential for these markets. The U.S. received negligible risk BSE status by the OIE in 2015. Securing full access in remaining countries where access is limited and the few that remain closed to U.S. beef is one of the beef industry's highest priorities, along with removal of related EV programs.

### **Establishment Registration Lists and Questionnaires**

A cross-cutting issue first delineated in the 2012 NTE report was export certification requirements. The red meat industry shares the concern raised in these reports about burdensome non-science-based attestations and labeling requirements. We also highlight the growing trend toward importing countries requiring extensive information about export facilities in the context of their registration processes. A few examples include Vietnam's Circular 25, Malaysia and Indonesia's beef and pork questionnaires and on-site audits, and plant and product (and sometimes label) registration requirements in some South American markets (Argentina, Bolivia, Brazil, Ecuador and Uruguay).





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Through the Phase 1 Agreement, China has substantially simplified its establishment registration process. However, China still requires all U.S. establishments to be on an approved plant list prior to exporting.

**High Priority Issues by Country**

**China:**

Priority market access issues include a) China's zero tolerance of Codex and FDA-approved beta agonists; b) China's requirement that U.S. pork shipments be accompanied by ractopamine-free certificates of analysis, even though all U.S. pork for export to China is being produced under ractopamine-free verification programs; and c) China's zero tolerance policy on pathogens on the surface of raw pork imports.

China has also proposed additional plant registration requirements through Decree 248, which could undo much of the progress made through the Phase 1 Agreement. China is trying to shift the administrative burden of this registration to exporting countries. However, USMEF's understanding is that Article 11 of Decree 248 allows for exemption of the establishment registration process if a separate agreement is in place, e.g., the Phase 1 Agreement in the case of U.S. red meat exports. USMEF is opposed to further imposition of Decree 248 requirements, and it is critical that the U.S. maintain its current establishment registration process agreed to in the Phase 1 Agreement.

In addition to sanitary issues, China's 25% additional retaliatory tariff on U.S. pork and pork variety meats have limited pork exports to China again in 2022, and more importantly have translated into lower U.S. prices as U.S. pork trades at a discount to the competitors, due to their tariff advantage. As noted above, the situation dramatically improved when China provided tariff waivers for the Section 301 retaliatory duties in early March 2020. Thus U.S. beef has traded at the MFN rate of 12% since early March 2020 but U.S. pork remains at a 25% disadvantage to the competitors. U.S. share of China's pork imports has fallen from 18.6% in January-August 2020 to 15% in the same period in 2022 (although still up from 11.9% in 2019). U.S. beef has climbed from less than 1% share of China's imports to 10% and the U.S. is now the largest supplier of grain-fed beef to China.

Since mid-2020, imports of red meat have been affected by China's SARS-CoV-2 testing, disinfecting, and tracing of imported cold chain food. Some exporters have had product movement slowed due to "positive" tests, and some have been unable to ship for one or more weeks. Efforts intensified in late 2021 and into 2022, with some areas restricting movement out of cold storages and sometimes localized restrictions were placed on sales of imported cold chain food. Recently, exporters have noted questions from China about disinfection of U.S. containers and China has reportedly been exploring the potential for COVID testing prior to departure from U.S. ports. These COVID-related restrictions continue to add costs and complexity to handling imported meat.

China now dominates global red meat imports, with beef imports through August valued at \$13.3 billion, up 48%. While pork imports dropped by 59% to \$4.5 billion, China still held the top importer position.



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**Korea:**

Priority market access issues include: a) Korea's BSE-related restrictions on imports of beef and beef products from cattle over 30 months of age as well as imports of beef small intestines, tongues, collagen casings, and processed beef items from cattle under 30 months of age; b) Korea's restrictions on U.S. exports of beef derived from direct-slaughter imports of fed Canadian cattle; c) Korea's application of the muscle MRL for ractopamine (10 ppb) to non-target tissues (i.e. offal); and d) Korea's testing for semicarbizide (SEM) residues on U.S. beef and subsequent suspension of U.S. establishments for potential false positives.

USMEF is working with USDA and USTR to help determine priorities for engaging Korea on expanded beef market access. We have a range of estimates for the potential added value of expanded access, including at least \$35 million in potential for products that are currently ineligible from cattle under thirty months of age and potential for exports of beef from older cattle to reach \$80 million, depending on a number of variables.

Additionally, multiple residue violations in 2019 and 2020 have led to the suspension of U.S. beef establishments. Korea is the only importing country that applies the lowest target tissue MRL for ractopamine (muscle; 10 ppb) on non-target tissues (i.e. offal). This has led to multiple establishments being suspended for residue violations in beef tripe products, even though the residue findings were within the Codex MRL for non-muscle tissue.

Additionally, Korea has been testing for SEM, which is the marker residue for a banned veterinary drug in the U.S. (nitrofurazone). It is believed that SEM residues can be found as a false positive due to the degradation of certain antimicrobials applied to beef during the slaughter process. Two U.S. beef establishments were suspended due to SEM findings on beef feet and were relisted in mid-2021. Regardless, both of these residue issues remain a concern for the industry, as there is the potential for violative findings even when ractopamine is used according to FDA regulations, or in the case of SEM violations, the result is a false positive rather than a true violation. USMEF urges the U.S. government to engage with Korean counterparts to address these residue issues to prevent further violations and plant suspensions.

**European Union (EU):**

Priority market access issues include a) the reciprocity clause (requiring third country compliance) in the antimicrobial use legislation being worked into implementing legislation (e.g. Article 118); b) the EU's ban on the use of hormone growth promotants and FDA-approved beta agonists, c) the ban on all but one of the many pathogen reduction treatments (PRTs) that are approved for use in slaughterhouses in the United States, and d) trichinae mitigation requirements for pork.

USMEF is also gravely concerned about the potential impact on third country imports into the EU, plus precedence-setting for the rest of the world, from the EU Farm to Fork (F2F) Strategy and other Green Deal policies. Examples of proposals within these policies that could impact U.S. exports include front-of-pack labeling, mandatory country of origin labeling, restrictions on use of antimicrobials in livestock production (also an immediate concern through Article 118), legislation on food contact materials and possible packaging taxes, carbon tax on imports, sustainability and animal welfare labeling, deforestation-related country assessments and requirements for exporters to provide geographical or other certification information with each shipment, and rules on date marking.



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The Global Transition is a specific part of the EU strategy and suggests EU efforts are underway to mandate changes to production, documentation, etc. in other countries through a combination of “education” and trade barriers.

### **Indonesia:**

Indonesia does not recognize the equivalence of the U.S. meat inspection system for beef, pork or lamb but instead requires submission of a lengthy and detailed questionnaire and an opaque document review process. This has resulted in approval of only a limited number of U.S. establishments. In September 2017, Indonesia approved five beef, four pork and one lamb slaughterhouses, but more than 20 U.S. beef and pork establishments are still awaiting audit and approval for export to Indonesia. Additionally, Indonesia has now implemented a set of fees that companies must pay to have documents reviewed and plants audited. Further efforts should be made to convince Indonesia to recognize the equivalence of the U.S. meat inspection system for beef, pork and lamb and remove plant audit and inspection fees.

Indonesia also restricts imports of beef through a variety of other measures. Indonesia utilizes an import recommendation system where an importer must request to be allocated a specific volume of beef which can be imported over the six-month recommendation period. The Indonesian government requires importers to meet a certain percentage of the requested volume or face penalties or restrictions in future recommendation requests. Importers must also distribute a specified volume of domestic beef as a percentage of their recommendation volume and own their own cold storages to import beef. There are also price restrictions on imported beef sold at retail. These requirements, along with others not specifically detailed here, add complexity to the beef supply chain and restrict importer flexibility when dealing with imported U.S. beef.

U.S. exports of beef to Indonesia in 2011 were valued at \$28 million, then plummeted in 2012 and 2013 following Indonesia’s growing import restrictions. Following some positive changes to the import regime, exports rebounded to \$26.8 million in 2014, prior to the introduction of other restrictions that caused exports to drop to \$11.9 million in 2015. With more positive changes, including fewer restrictions on items eligible for import, U.S. beef exports set a record in 2016 at \$39.4 million and exports set new records in most following years, reaching \$118.4 million in 2021. Exports are on track for close to \$130 million in 2022. Approval of additional establishments for export to Indonesia would dramatically increase U.S. export potential, as there are many U.S. establishments with pending applications awaiting on-site audits for approval to export. As with other markets, there is a window of opportunity to further grow U.S. exports to Indonesia. While top-supplier Australia’s beef production is significantly limited due to herd rebuilding, this window is quickly closing. USMEF also has a separate paper outlining these opportunities.

### **Taiwan:**

In 2021, Taiwan established Codex MRLs for ractopamine residues in pork products. This was a long overdue step on further establishing science-based standards for trade in red meat products and made Taiwan’s pork regulations consistent with the standards it established for beef in 2012. However, amid considerable political and consumer pushback, the Taiwan government failed in its risk communication and this resulted in significant commercial damage to U.S. pork exports to Taiwan, starting in late 2020 and continuing through 2022. Taiwan also implemented strict country of origin labeling (COOL) requirements, which further damaged U.S. pork exports. U.S. pork exports





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plummeted from the 2020 high of 2,800 mt in October, to less than 1,000 mt in November and December as the market anticipated the government's moves and watched the negative opposition political party and consumer reactions. 2021 exports fell to just 4,653 mt, valued at \$14 million, down 65% and 74%, respectively. 2022 exports collapsed further to just 2,655 mt valued at \$6.7 million for January through August, and market share of reported exports to Taiwan dropped to 3%, down from 15% for January-August 2020.

Taiwan also removed the over-30-month barrier for U.S. beef exports in 2021. However, restrictions remain on access for ground beef, beef trimmings and some offal products. Additionally, Taiwan maintains restrictions on imported Canadian cattle fed for less than 100 days, whereby this beef must be from cattle less than 30 months of age. Accordingly, the USDA-AMS EV program must remain in place and this continues to limit commercial potential for U.S. beef exports.

Under Taiwan's COOL requirements, any pork sold at retail or food service must indicate the country of origin, including for Taiwanese domestically produced further processed products which use U.S. or imported pork as a raw material. This disadvantages U.S. pork for use in further processing, particularly when combined with the consumer sensitivities regarding the allowance of ractopamine. Taiwan's mandatory COOL regulations have undermined any additional access U.S. pork has received via the establishment of pseudo-Codex MRL's for ractopamine, and ultimately has further hindered U.S. pork exports to Taiwan. The extensive COOL requirements have added costs and complexities for Taiwan's processors, who are the primary users of U.S. pork.

### **Australia:**

Priority market access issues include: a) a BSE-related ban on imports from the United States of fresh/frozen beef and most processed beef products, b) a ban on bone-in pork imports from the United States, c) strict biosecurity rules on the movement and destruction of imported pork packaging materials and related time/temperature requirements that increase the costs associated with importing pork from the United States, and d) restrictions that limit chilled/frozen pork imports from the United States to boneless products that are imported to be used as ingredients in the production of processed meats.

Australia is one of the last countries to maintain a ban on U.S. beef exports after 19 years post-BSE. Its restrictions are purely a protectionist measure against the U.S. beef industry which are long overdue for resolution.

### **Medium Priority Issues by Country**

#### **Vietnam:**

Priority market access issues include: a) ongoing restrictions on white offal products, even though the market is officially open to these products and b) Circular 25 (establishment registration requirements) and related restrictions on imports. Vietnam's import demand increased dramatically in 2020 and 2021 due to the devastating impact of ASF on its pork production. Trade into Vietnam has remained elevated through 2022, although well off the 2021 highs. The U.S. is a minor supplier to the market because of our tariff disadvantages, even though Vietnam reduced the MFN tariff on frozen pork in July 2022. The top supplier of pork to Vietnam, the EU, has tariff advantages following implementation of the EU-Vietnam FTA in 2020 and exports last year reached nearly 130,000 mt. Canada's exports to Vietnam surged following implementation of CPTPP and totaled 24,000 mt in 2021.



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Russia's trade agreement with Vietnam also provides duty-free access and Russian exports reached 86,000 mt last year. By contrast, U.S. exports totaled just 5,600 mt.

Vietnam has also been an important growth market for U.S. beef, and exports through August 2022 already exceeded calendar year 2021 exports, as Vietnam has rebounded from the negative impacts of COVID-19. But market remains price-sensitive, and the U.S. faces tariff disadvantages while major competitors benefit from free trade agreements with Vietnam. Improvement in access conditions, including for offal, would enable significant U.S. export growth.

**Colombia:**

Priority market access issues include: a) product retentions/rejections at port due to the perceived cleanliness of the ocean shipping container and boxes, b) varying enforcement of labeling requirements at ports of entry and inconsistencies with what is posted in the FSIS Export Library, c) potential imposition of slaughter date requirements for box labels to Colombia, and d) sodium limits preventing entry of certain, above-limit processed products, to be phased in.

**Philippines:**

In 2021, the Philippines Department of Agriculture (DA) attempted to implement Administrative Order 26, which regulates labeling of imported meat products. AO26 requires an extensive amount of information to be detailed on a secondary label for imported meat and poultry products, including expiry dates, product weights in kilograms, name and information of the exporting company (not just the producing establishment), and several other labeling components. USDA was successful in convincing DA to indefinitely delay implementation of AO26 and is working to persuade DA to adopt proposed Codex labeling guidance. If AO26 were to be fully implemented, it would come at a significant cost to U.S. exporters and be a major limiting factor to U.S. red meat exports to the Philippines, an extremely price-sensitive market.

In previous years we have reported concerns over the Philippine's two-tiered system of regulating and handling of frozen and freshly slaughtered meat, zero tolerance for *Salmonella* on the surface of whole muscle cuts, and concerns over reference pricing mechanisms. These issues are not currently impacting trade, and the Philippines National Meat Inspection Service (NMIS) has adopted more science-based imported product inspection measures in recent years. The Philippines has also had a history of adopting reference pricing mechanisms that inflate the value of U.S. pork products for Filipino importers, but the issue hasn't been raised recently. The above issues should continue to be monitored in case the Philippines reverses course on its current policies. Trade into the Philippines surged in 2021 and 2022, in an effort to help fill its ASF-related pork shortage and enabled by the temporary reduction in import duties and expansion of the Minimum Access Volume (MAV) quota. The Philippines has some of the highest import duties in the world, and there are tremendous market opportunities if a trade agreement could be reached or reductions to MFN tariff rates are extended. Reported exports to the Philippines in January-August 2022 totaled 525,000 mt, up 28% from the same period last year and a nearly four-fold increase from 2020. This included 30,000 mt of U.S. pork, down 56%, as the EU and Canada dominated exports to the Philippines, at cheaper prices.



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### **Ecuador:**

Priority market access issues include a) Ecuador's non-transparent import license process for red meat imports that results in arbitrary quotas that continue to limit supply opportunities for U.S. exporters and b) plant registration requirements.

### **Saudi Arabia:**

Saudi Arabia reopened its market in June 2016 to U.S. beef exports from cattle less than 30 months of age and expanded access to include beef from cattle over 30 months of age on May 13, 2020. But there are cattle feeding restrictions which allow for no animal protein to be included in rations. This limits available rendering facilities from which tallow can be sourced to be included in feed rations. The feed restrictions have drastically limited the ability for exporters to supply beef to Saudi Arabia and resulted in limited exports since the market reopened. Removing cattle feed restrictions would allow exports to resume at a level more comparable with the volume exported before the market closed in 2012.

### **South Africa:**

Priority market access issues include: a) lack of access for pork offal (specifically hearts, a key opportunity product for the market), b) South Africa not allowing entry of U.S. beef that has transited any other country prior to landing in South Africa, c) lack of clarity regarding the lymph node removal requirement for pork shoulder cuts, d) a limited list of U.S. pork muscle cuts that are eligible to be exported for sale to those not needing to be on an approved processor list (i.e. unrestricted access) and an unclear process to get additional cuts added, e) a zero tolerance requirement for *Salmonella* spp. for imported red meat products, and f) no access for processed meat products.

Following the resumption of shipments in March 2016, South Africa has become the second-largest destination for U.S. beef liver exports behind Egypt, and it is now the fourth-largest market for U.S. beef variety meat exports. Total U.S. beef exports to South Africa reached \$14.3 million in 2021 and through August 2022 were valued at \$7.75 million. Exports of pork have been limited due to the restrictions on variety meat and the uncertainty caused by the lymph node removal requirements and two export certificate options.

### **Other Issues by Country**

#### **Argentina:**

Priority market access issues include a lack of access for pork offal (internal organs specifically) and cumbersome product and label registration, requiring importer involvement.

#### **Bolivia:**

Priority market access issues include resolution and clarification on the requirement for U.S. establishments to register for eligibility.

#### **Brazil:**

Priority market access issues include a) Brazil's zero tolerance requirements for *Salmonella* spp. in red meat imports with varying testing frequencies seen across different states and b) ban on pork imports from the United States.



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### **Canada:**

Priority market access issues include lack of clarity regarding Canada's inspection procedure for beef and pork hearts.

### **Caribbean:**

Priority market access issues include a) the ban on U.S. pork imports in Jamaica, and b) trichinae mitigation requirements for Barbados and Dominica.

### **Gulf Cooperation Council (GCC) Member Countries:**

The GCC has issued the GCC Guide for Imported Food which establishes food safety, export certificate and halal guidance for food products exported to GCC member countries. While the guide is not mandatory for all GCC countries, it does provide guidance on halal-related practices, including permitted livestock feeds, which could restrict imports. Saudi Arabia has adopted a ban on all animal protein in cattle feed and has restrictions on the practice of feeding beef tallow to cattle. Together these requirements have significantly reduced the commercial viability of U.S. beef exports to Saudi Arabia since the market reopened in 2016, and the introduction of similar requirements by other GCC countries would have the same effect on exports to those countries.

### **India:**

There are many restrictions on U.S. pork exports to India, including requirements that the exporting country must be pseudorabies virus-free and production premises must be free of porcine reproductive and respiratory syndrome (PRRS), trichinae, transmissible gastroenteritis, atrophic rhinitis, leptospirosis, TBC and anthrax for two years prior to the slaughter of hogs from the premise. Maximum residue limits could also pose problems for imports.

### **Macedonia:**

Priority market access issues include a) a ban on imports of beef from the U.S. and b) trichinae mitigation requirements for pork imports.

### **Malaysia:**

Malaysia notified new, restrictive halal requirements to the WTO in 2011. This notice included a requirement that slaughterhouses follow halal requirements and that the entire transportation system and cold chain be dedicated to halal products. Malaysia also requires that beef and pork slaughter establishments and further processing establishments to submit an extensive and detailed questionnaire which asks for information that is considered propriety by U.S. companies. Only one U.S. beef slaughter plant has been approved since the introduction of these requirements.

### **Moldova:**

Priority market access issues include lack of beef access due to no certificate.



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### **Montenegro:**

Priority market access issues include no access for red meat.

### **Namibia:**

Priority market access issues include a ban on imports of all U.S. red meat and no industry knowledge of what prompted this longstanding ban.

### **New Zealand:**

Priority market access issues include a) requirement that imports of frozen/chilled pork products weighing more than 3kg must be cooked; b) required cooking times similar to those in effect in Australia; c) limited retail or consumer-ready product exports to 3 kg or less (limiting butcher shop/retail opportunities); d) gland/lymph node removal requirements not clearly stated to U.S. exporters; and e) BSE-related restrictions on beef imports from the United States.

### **Nicaragua**

Priority market access issues include enforcement of non-science based *Salmonella* spp. standards on raw meat, resulting in rejected product.

### **Nigeria:**

Priority market access issues include a ban on imports of all fresh (non-processed) U.S. red meat.

### **Paraguay:**

Priority market access issues include no access for beef offals.

### **Pakistan:**

Priority market access issues include a BSE-related ban on imports of U.S. beef.

### **Peru:**

Priority market access issues include Peru's delay in finalizing a new certificate for U.S. exports of mixed species processed products, resulting in a current de facto ban on these products entering the market.

### **Russia and the Eurasian Economic Union (EAEU):**

Priority market access issues include: a) Russian and Belarussian zero tolerance for the presence of ractopamine residues in beef and pork imports – resulting in a continued ban on U.S. beef imports; b) Russian and Belarussian near-zero tolerance for tetracycline residues; c) Russia's zero tolerance for *Salmonella* spp., *Listeria monocytogenes*, coliforms, and low tolerance for aerobic and anaerobic plate counts on raw product; d) Russian and Belarussian BSE-related restrictions on imports of U.S. beef from cattle over 30 months of age; e) Lack of clarity regarding the requirements and process to get additional slaughter and exporting establishments approved for Russia, Belarus, and Kazakhstan; and f) Russian and EAEU non science-based slaughter plant inspection criteria.





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These measures are, at varying timeframes, being incorporated into the standards and requirements of the EAEU between Russia, Belarus, Kazakhstan, Kyrgyzstan and Armenia, compounding the impact on U.S. red meat exports.

In 2014, 2017 and again in 2019, Russia issued a decree banning numerous agricultural imports from the U.S. and other countries that had imposed economic sanctions on Russia following the conflict in Ukraine. Thus, the market remains entirely closed to all U.S. beef and pork cuts, fat and offal.

**Serbia:**

Priority market access issues include a ban on imports of U.S. pork.

**Singapore:**

Priority market access issues include a) restriction on imports of U.S. beef from Canadian and Mexican cattle; b) restrictions on pathogen reduction treatments for beef and pork; and c) trichinae mitigation requirements for U.S. pork.

**Sub-Saharan Africa:**

Red meat exports are growing to Africa, most notably Angola, Gabon and Congo. However, outside of South Africa, minimal information on the importing countries' requirements is available to U.S. exporters, primarily due to the lack of bilateral discussions between the U.S. and the respective African government agencies. This leaves exporters in a vulnerable position to navigate exports to this region with minimal local USDA expertise to reference.

**Thailand:**

Priority market access issues include a) restrictions on imports of U.S. beef offal, b) restrictions on imports of U.S. pork due to the use of ractopamine in the U.S., and c) failure to consistently apply science based MRLs for residues of beta agonists in beef and pork.

**Turkey:**

Priority market access issues include a ban on imports of U.S. red meat.

**Ukraine:**

Priority market access issues include trichinae mitigation requirements for pork.

**United Kingdom (UK)**

U.S. meat now has UK-specific bilateral certificates following Brexit and multiple extension periods. However, since EU live animal (AMS EVs), process, and plant approval requirements must still be followed, our priority market access issues are similar to those listed for the EU: a) the EU's ban on the use of hormone growth promotants and FDA-approved beta agonists, b) the ban on all but one of the many pathogen reduction treatments (PRTs) that are approved for use in slaughterhouses in the United States, c) trichinae mitigation requirements for pork, and d) continued uncertainty on whether Article 118 (antimicrobial use) restrictions and pending Farm to Fork import product legislation will be adopted for our bilateral UK certificates.



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USMEF appreciates the efforts by USTR to secure a reasonable apportioned volume of the U.S./Canada Hilton beef quota to the UK, to allow some access into that market post-Brexit. Apportioning of pork TRQs to the UK should allow for future growth into the market as well, although growth will be limited by the barriers listed above.

## **Uruguay**

Priority market access issues include continued confusion on eligibility of pork during current certificate negotiations.

## **Market Access Restrictions Affecting U.S. Lamb Exports**

The information provided above does not include a detailed treatment of restrictions on U.S. lamb exports, but priority markets that currently ban U.S. lamb include South Korea, China, Vietnam, Ukraine, and Thailand. Korea, Russia, and several South American countries have scrapie-related restrictions, while China requires a country risk assessment followed by plant-by-plant approvals.

Thank you again for the opportunity to submit comments on trade barriers facing U.S. red meat exports. Please do not hesitate to contact us if you have questions about any of the information in our comments.

Sincerely,

Dan V. Halstrom  
President and CEO