

October 23, 2023

Office of United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Office of the United States Trade Representative (USTR), Trade Policy Staff Committee, NPPC welcomes the opportunity to provide comments on the Office of the United States Trade Representative's (USTR) annual National Trade Estimate report. This submission is in response to the Federal Register Notice (Document No. USTR-2023- 0010) requesting comments regarding foreign trade barriers to U.S. exports for 2024 reporting.

NPPC is a national association representing a federation of 43 state producer organizations and represents the federal and global interests of 66,000 U.S. pork operations. The U.S. pork industry is a major value-added enterprise in the U.S. agricultural economy and a significant contributor to the overall U.S. economy, producing high-quality, safe, and affordable pork. More than 500,000 American jobs are supported by U.S. pork production. U.S. pork exports sustain more than 70,000 of these jobs. In any given year, the U.S. pork industry ships product to more than 100 countries. Exports contribute significantly to the bottom line of all U.S. pork producers, adding \$61 – about a third – to the value of each hog marketed in 2022. In 2022, the U.S. pork industry exported 2.5 million metric tons of pork and pork products valued at over \$7.6 billion.

Australia

In 2022, the U.S. exported \$133 million in pork and pork products to Australia, but this is limited due to sanitary and phytosanitary barriers related to Porcine Reproductive Respiratory Syndrome (PRRS). Australia prohibits imports of fresh pork and bone-in products from the United States, even though the United States has provided evidence documenting the safety of U.S. pork products. NPPC continues to find no science or legal justification for these barriers and continues to push for full market access.

Brazil

Brazil has a de facto ban on U.S. pork that lacks any scientific justification and must be eliminated. Despite a 2019 joint statement agreeing to establish a science-based process for allowing pork imports, Brazil has still not opened its market to U.S. pork. NPPC supports opening the Brazilian market to allow fresh, frozen, and processed U.S. pork to be shipped to Latin America's largest economy.

China

Although China has been an important market for U.S. pork in recent years, there are many restrictions on U.S. exports that are inconsistent with international standards. China bans the use of ractopamine, for example, instead of following Codex MRLs. The Phase I agreement required China to conduct a risk assessment for ractopamine in pork, but over three years later the ban remains in

place. There are also continuing problems related to African swine fever (ASF) and COVID-19 that slow or disrupt trade.

Ecuador

U.S. pork faces onerous import licensing schemes that block access. In 2020, the U.S.-Ecuador Trade and Investment Council Agreement (TIC) identified simplification of this process as a goal. The opposite has occurred. Since the TIC was negotiated, import permits have been painfully slow to materialize or denied without justification. Furthermore, Ecuador requires domestic purchases prior to assigning import licenses and limits total imports to a predetermined amount, in likely violation of its WTO commitments.

Ecuador has also established additional export registration requirements known as “Annex 2.” This ambiguous process is further impeding U.S. pork’s ability to successfully export to Ecuador. There is also concern with AGROCALIDAD Resolution 115-2019 and Resolution 003-2016, which require registration of foreign establishments that export animals or animal products and of products to be fed or administered to animals. NPPC is requesting that Ecuador remove protectionist barriers on the importation of U.S. pork and will continue to work with USG to remove these non-tariff barriers.

European Union

NPPC requests the EU: a) eliminate tariff and non-tariff barriers in line with the free trade agreements it has with 20 + other nations and b) recognize the equivalence of U.S. pork production practices and accept exports from all USDA-approved facilities. The EU restricts pork through several non-science-based measures, including restrictions on hormones and beta agonists such as ractopamine. These restrictions are not based on Codex standards or scientific analysis. NPPC also remains concerned about how the EU intends to implement policies around sustainable production given its history of disregarding legitimate concerns and input from trading partners.

Honduras

The Honduran president has publicly discussed renegotiating the agriculture provisions of the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). Furthermore, the government has previously required local purchases prior to importing pork from the United States. NPPC notes that DR-CAFTA’s pork import provisions were phased in over 20 years. Honduran consumers benefited from \$107 million worth of high-quality U.S. pork imports in 2022. Renegotiating DR-CAFTA to restrict U.S. imports would undermine an important trade relationship and food security in Honduras.

India

In early 2022, India granted access for U.S. pork and pork products. However, in late September 2022, India proposed an additional export certificate with additional attestations that were not negotiated with U.S. regulatory authorities. Pork exports have been virtually zero since access was granted. NPPC implores the USG to continue working with the Indian government to resolve this issue.

Indonesia

U.S. pork exports to Indonesia totaled a mere \$555,300 in 2022. The country has a plant approval process that is unnecessarily cumbersome and laborious, which discourages U.S. pork plants from registering. In addition, Indonesia requires payment to conduct audits, a highly unusual demand. NPPC is continuing to work with the USG for additional plant approvals and a more streamlined questionnaire process.

Jamaica

Jamaica has maintained an effective ban on non-hermetically sealed U.S. pork exports for over 30 years. Its limited pork imports from the United States consist primarily of canned ham. There is no science-based justification for this unfair trade barrier. Despite decades of negotiations, Jamaica's ban on U.S. pork remains while it has granted access to other pork-producing countries, including other countries with the same porcine disease conditions as the United States. NPPC strongly supports a science-based approach to trade and the opportunity to compete on a level playing field with countries that have the same commercial swine herd health status. A broadening of access for U.S. products to include fresh and frozen pork would make Jamaica a more significant potential market.

Japan

Japan is an important market for U.S. pork, accounting for approximately 13 percent of U.S. pork exports to date in 2023. In spite of this, exports are subject to a gate price mechanism that is used to limit competition with Japanese pork. The U.S.-Japan Trade Agreement reduces but does not eliminate the gate price. NPPC continues to monitor the implementation of the gate price mechanism.

Malaysia

U.S. pork can only ship from six pork plants, and access is limited to fresh and frozen unprocessed pork. NPPC is continuing to work with USG on this issue.

New Zealand

Pork imports are limited due to unfounded concerns about disease transmission. Pork can only be imported if it is cooked, cured, canned, in consumer-ready packages less than 3 kg, or destined for further processing.

Nigeria

In early 2022, Nigeria granted access for U.S. pork sausage. However, Nigeria still has a de facto ban on other U.S. pork that lacks any scientific justification and must be eliminated. NPPC is continuing to work with the USG to resolve these non-tariff barriers to trade for U.S. pork exports.

Panama

In 2020, the Ministry of Health issued Decree 255, requiring facility registration for establishments that store, display, distribute, or sell meat and meat products. This has caused major delays in facility registration. NPPC remains concerned about Decree 255 and will continue to work with USG to monitor its implementation.

Panamanian leaders have also discussed renegotiating aspects of the U.S.-Panama Trade Promotion Agreement, including pork market access. NPPC supports the original agreement and full implementation of its commitments on both sides.

Philippines

The Philippines government in May 2021, cut the in-quota tariff on pork to 15 percent from 30 percent and the out-of-quota rate to 25 percent from 40 percent. Those reduced duty rates have been extended and are in place through the end of 2023. Recent elections in the Philippines have stalled efforts to expand the minimum access volume (MAV) quota for imported pork cuts. The MAV, which expired Jan. 31, 2022, was raised to 254,210 metric tons (MT) from just 54,210 MT in 2021. As a result of those actions, U.S. pork exports to the Philippines soared in 2021, topping \$204 million compared with \$114.5 million in 2020, a 78.5 percent increase, but fell to \$135 million in 2022 without the expanded MAV. The Philippines has been battling African swine fever (ASF) since 2019, and NPPC has been pressing both the U.S. and Philippines governments to lower pork import tariffs since ASF outbreaks began in the country.

Russia

Russia has doubled its production of pork since 2010 and shifted from being a major pork importer to a net exporter. It has maintained a ban on pork imports from the United States since 2014. These are political restrictions unrelated to any health or safety concerns.

Singapore

NPPC concurs with the information provided in the report regarding trade barriers for U.S. pork and pork product exports to Singapore. NPPC is continuing to work with the USG to resolve these trade barriers.

South Africa

South Africa has a partial ban on U.S. pork and pork products. NPPC wants full market access for U.S. pork, including offal, heat-treated products, and casings for export to South Africa. This could be a growing market for U.S. pork producers, but exports are hampered by unwarranted, non-scientific restrictions. These restrictions include no market access for pork offal, heat-treated/canned products, and casings; no guidance for the unjustified restriction that lymph nodes must be removed from shoulder cuts; stringent, non-science-based, trichinae-related freezing requirements on U.S. pork; and limits on pork cuts allowed for importation due to concerns related to Porcine Reproductive and Respiratory Syndrome (PRRS) and the pseudorabies virus (PRV). These restrictions do not recognize animal health controls in the United States, including disease elimination, and are not compliant with international standards.

Taiwan

NPPC is deeply concerned about the effects of the 2021 country-of-origin labeling (COOL) requirements for pork. These were introduced to coincide with new maximum residue limits (MRLs) for pork, with resulting negative impacts on U.S. pork exports. NPPC will continue to defend the right of U.S. hog farmers to use production processes and products that are safe and oppose government

mandates that, with no scientific backing, dictate production practices, unnecessarily increase food prices, and inhibit consumer choice.

Thailand

Thailand maintains a de facto ban on U.S. pork imports. It also has not established MRLs for ractopamine despite Codex establishing an MRL in 2012. Despite removing some duty-free trade preferences under the Generalized System of Preferences (GSP) program, Thailand has not made progress on granting market access (likely in part because GSP is currently expired).

Vietnam

In 2020, Vietnam reduced its Most Favored Nation (MFN) tariff rates from 15 percent to 10 percent for frozen pork products. NPPC is pleased with this reduction and the positive impact it will have on U.S. pork exports, but the tariff rate remains higher than the rates for competitors that have trade agreements in place with Vietnam. A trade agreement with Vietnam remains a top priority for U.S. pork producers, especially as the country battles ASF and needs safe, reliable, and affordable sources of pork.

Again, NPPC expresses its appreciation for the opportunity to comment on the NTE 2024 Report and is looking forward to continuing to work with USTR and other USG agencies to open and maintain market access for U.S. pork and pork products.

Sincerely,



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