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**ITA & DOC Supply Chain Risk Assessment and IPEF Supply Chains Federal Register Notice
Docket Number 240530-0148
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International Trade Administration and Department of Commerce
Herbert C. Hoover Building
1401 Constitution Ave. NW
Washington, DC 20230

TO: The International Trade Administration and Department of Commerce

Introduction

The National Pork Producers Council (NPPC) welcomes the opportunity to provide comments to the International Trade Administration and Department of Commerce in response to the Federal Register Notice (Document No. 240530-0148) requesting comments to inform their work on assessing and analyzing risk in global supply chains.

NPPC represents 43 state producer organizations and the domestic and global interests of more than 60,000 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, accounting for more than \$64 – about a quarter – of value for each hog marketed in 2023. In 2023, the U.S. pork industry exported 2.9 million metric tons of pork and pork products valued at over \$8.2 billion.

Resilient supply chains are crucial to the success of all U.S. industries including the pork sector. Proactively assessing factors that impact the health of global supply chains that are imperative to U.S. industries is necessary to direct policy decisions to protect these industries from supply chain challenges, including geopolitical, economic, and logistical risks. Improving supply chains with the 13 Indo-Pacific Economic Framework for Prosperity (IPEF) partners can assist in diversifying and decreasing reliance on problematic sources for feed inputs, building supplies, and other inputs crucial to the success of the U.S. pork industry while also creating more opportunities to export U.S. product to this region.

An increased focus on supply chain resilience should seek to use all available tools – including proven tools, such as FTAs and other market liberalization and standards harmonization mechanisms – to

shore up trade with regional partners, geopolitical “friends,” and those countries that share U.S. values. Many friendly partner countries are in a strong position to help protect U.S. consumers and businesses from future supply shocks in key industries, but those relationships need to be formalized and enshrined via robust, long-term, forward-facing economic integration initiatives, including FTAs. Indeed, it is the certainty of long-term market access opportunities afforded by preferential trade agreements that ultimately provides the economic incentives needed to invest in resilient, diversified supply chains by the private sector. Those proven tools should be liberally utilized to enhance supply chain resiliency and sourcing diversification efforts with like-minded neighbors and “friends.”

The North American Free Trade Agreement (NAFTA) and its successor, the United States-Mexico-Canada Agreement (USMCA), have played an indispensable role in the integration of pork production and marketing in North America, creating important and stable supply chain relationships among the partner countries. The agreement has provided expanded opportunities for swine producers in all three countries. Mexico and Canada are the number one and number four export markets, respectively, for U.S. pork producers. U.S. swine finishing operations depend on a steady supply of weaning pigs imported from Canada. Mexican swine producers have relied on imports of cost-efficient corn and soybean meal from the U.S. to support their pork production.

Identifying and Protecting Crucial Supply Chains

The U.S. pork industry relies on a significant number of critical ingredients, inputs, manufacturing equipment, and other products from domestic and foreign sources. Some important feed inputs, such as vitamins, minerals, and amino acids, are often imported from foreign suppliers, including China. Over-reliance on any single trading partner for those critical inputs is certainly a threat to future supply chain resilience.

Diversity of supply is a key element of supply chain resilience, and onshoring and reshoring in certain instances may play a role in reducing risk for certain, specific supply chains. However, if not implemented carefully and strategically, it can also lead to an equally undesirable over-reliance on domestic supply limits and available options in the event of a domestic unforeseen event. Increased resilience in supply chains and diversity of sourcing require both strong domestic production capacity as well as strategic international imports from geopolitically friendly nations. U.S. trade and investment policy can serve to enhance these efforts by providing economic certainty and opportunity for domestic and foreign businesses to secure U.S. supply chains in key products.

Enduring resilience will require new investments in infrastructure, new incentives to increase the supply of key inputs, and new forms of cooperation with allies and trusted trading partners – all to prevent and withstand supply chain disruptions and mitigate risks of price spikes and volatility that could contribute to inflationary dynamics. There are many examples of similar efforts in the past that have led to these same desirable outcomes in U.S. food and agricultural trade, such as regional free trade agreements like NAFTA/USMCA and the Dominican Republic-Central America FTA (CAFTA-DR), as well as bilateral agreements such as the U.S.-Australia Free Trade Agreement (AUSFTA).

Collaboration between supply chain partners is crucial to preventing vulnerabilities. Ongoing discussions between the U.S. government and pork industry and their Canadian and Mexican counterparts on a possible foreign disease outbreak in the North American region is crucial to protecting supply chains between crucial partners to the U.S. pork industry. This dialogue has improved the understanding and trust among producers and regulators in Canada, Mexico, and the United States around the feasibility and acceptability of using a regionalization approach in the event of a foreign animal disease outbreak. Employing regionalization in such a situation would help minimize the potential disruption of pork trade and supply availability.

The U.S. should intensify its work in multilateral and regional forums with like-minded “friends” for stronger international rules, technical standards, and approaches to regulation. A strong strategy of engagement on international and multilateral technical standards will help serve U.S. commercial interests and supply chain resiliency in the future.

Conclusion

The U.S. pork industry relies on crucial supply chains that are susceptible to disruptions from geopolitical, economic, and logistical risks. U.S. pork is a nutritious, safe, and affordable source of protein that consumers in the U.S. and globally rely on; protecting supply chains to source necessary inputs and distribute our products is imperative to food security globally. NPPC commends and supports the ITA & DOC’s efforts to identify crucial supply chains and proactively identifying vulnerabilities to affect policy decisions to strengthen supply chains.

Thank you for the opportunity to comment. Please do not hesitate to contact NPPC with any questions regarding this submission.

Sincerely,



Maria Zieba
Vice President of Government Affairs