National Pork Producers Council®

The Global Voice for the U.S. Pork Industry

July 22, 2024

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,

The National Pork Producers Council (NPPC) welcomes the opportunity to provide comments to the Office of the United States Trade Representative's (USTR) Federal Register Notice (Document No. USTR-2024-0009) regarding the trade track of the Americas Partnership for Economic Prosperity (APEP).

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 155,000 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 of value for each hog marketed in 2023. Last year, the U.S. pork industry exported 2.9 million metric tons of pork and pork products valued at over $8.2 billion.

The Americas region is critically important to U.S. pork producers. This region includes many U.S. free trade agreements (FTAs), which have been incredibly valuable for the U.S. pork sector. With the exceptions of Barbados, Ecuador, and Uruguay, current APEP participants already have FTAs with the United States. APEP should seek to build on the success of these agreements, but it should not be a replacement for negotiating new FTAs, including with APEP participants like Ecuador.

We also encourage USTR to address various barriers to U.S. pork exports within the participating countries and build on the rules of existing FTAs and the World Trade Organization (WTO) to further discourage protectionist actions against U.S. pork exports. Eliminating unfair agricultural trade barriers would expand U.S. exports to the region and deliver tangible benefits to U.S. pork producers and other agricultural producers.

Supply Chain Resilience

USTR clearly recognizes the importance of resilient supply chains, which 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 will help direct policy decisions to protect these industries from supply chain challenges, including geopolitical, economic, and logistical risks. Improving supply chains with our APEP partners and others in the Americas 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. products to this region.

An increased focus on supply chain resilience in the Americas should 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, and 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 provide 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 with like-minded neighbors in the Americas.

Technical Barriers to Trade/Non-Tariff Barriers (NTB)

When tariff barriers are removed, as under FTAs, it becomes even more important to be vigilant about non-tariff barriers, including licensing, non-science-based restrictions related to animal diseases and other sanitary/phytosanitary (SPS) concerns, misleading labeling requirements, and more. These non-tariff barriers can be incredibly difficult to overcome, especially when they're put in place with protectionist intent. APEP could be useful to the U.S. pork industry if mechanisms under an agreement can be used to resolve NTBs more expeditiously and prevent their imposition in the first place.

Ecuador

U.S. pork faces onerous import licensing schemes which block market access. In 2020, the U.S.-Ecuador Trade and Investment Council Agreement (TIC) set a goal of simplifying this process. However, the opposite 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, likely in 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 processing facilities for veterinary inputs and for livestock products and byproducts – an expansive and unnecessary regulatory scope – in order to receive import permit authorization. NPPC is requesting that Ecuador remove protectionist barriers on the importation of U.S. pork and will continue to work with United States Government to remove these non-tariff barriers.

Panama

The United States and Panama have an FTA, but recent actions by the Panamanian government with regard to pork imports demonstrate the importance of vigilance to ensure that all parties to trade agreements comply with its terms. On January 10, 2024, the Panamanian government issued a decree to protect domestic pork producers by establishing an import quota that is more restrictive than the tariff rate quota under the FTA and likely violates Panama's WTO and FTA commitments. This can and should be prioritized regardless of the APEP negotiations, but Panama should come into compliance with its pork market access commitments prior to gaining any benefits through participation in APEP.

Another concern is Decree 255, issued by the Ministry of Health in 2020. Decree 255 requires 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.

Again, NPPC expresses its appreciation for the opportunity to comment on the APEP negotiations 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,

Maria C. Zieba
Vice President of Government Affairs
National Pork Producers Council