

National Pork Producers Council
122 C Street, NW, Suite 875
Washington, DC, USA 20001

October 15, 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,

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-2024-0015) requesting comments regarding foreign trade barriers to U.S. exports for 2025 reporting.

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.

Australia

In 2023, the U.S. exported \$216 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 and an onerous facility registration system that limits U.S. export potential.

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 processing facilities for veterinary inputs and for livestock products and byproducts – an expansive and unnecessary 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 the U.S. government 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. Recent introduction of onerous testing requirements for stilbenes and antithyroid use for imports add additional bureaucracy with unnecessary testing requirements will hinder U.S. pork market access. 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, including the proposed deforestation-free supply chain regulation 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. Renegotiating DR-CAFTA to restrict U.S. imports would undermine an important trade relationship and food security in Honduras.

Honduran consumers benefited from \$127 million worth of high-quality U.S. pork imports in 2023. However, problems remain, including a discriminatory 15 percent tax applied on certain pork cuts imported with customs documentation on English, while the same cut is exempt domestically.

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 \$3.4 million of mostly frozen pork in 2023. 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 seven pork plants. While access is technically allowed for fresh, frozen, and unprocessed pork, the Malaysian authorities have only authorized imports of frozen pork from these seven plants, creating an unjustified barrier to fresh pork exports.

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, though there have been zero pork sausage exports since. 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. On January 10, 2024, the Panamanian government issued a decree to protect domestic pork producers from the economic effects of imports. The decree authorizes import control measures through the establishment of an import quota of 8,791 metric tons for 2024. The quota will grow by 6 percent in each subsequent year. Existing tariff rate quota (TRQ) access under Panama's various international trade agreements will count against the overall quota of 8,791 metric tons.

Article 3 of the decree says that the difference between the annual quotas under Panama's existing trade agreements and the total import volume ceiling (8,791 tons in 2024) are subject to an import licensing system that will be administered by the Trade Policy Unit of the Ministry of Agricultural Development.

In effect, the measure will place a limit on how much U.S. pork can enter Panama under over-quota tariff conditions. The preferential over-quota tariff rate for U.S. pork lines under the FTA TRQ (except carcasses & half-carcasses) is 15.6 percent in 2024 (year 13 of the

agreement). On January 1, 2026, the over-quota rate is scheduled to reach zero under the agreement.

This decree is not consistent with Panama's market access commitments under the FTA or restrictions on quantitative limits applicable under the WTO, nor did Panama notify these measures under either.

Panamanian leaders have also discussed renegotiating aspects of the U.S.-Panama Trade Promotion Agreement, including pork market access. NPPC supports the original agreement, compliance with its terms, and full implementation of negotiated 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 three times and are in place through the end of 2024. Elections in the Philippines 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 \$205 million compared with \$114 million in 2020, an 80 percent increase, but fell to \$135 million in 2022 without the expanded MAV, and further to \$110 million in 2023. Exports are on pace to fall further in 2024. 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

While the Singapore market is technically open to U.S. pork exports, there are several SPS issues that cause problems in the market. These include application of the 2022 regulations on pathogen reduction treatments (PRTs), trichinae mitigation requirements, and non-scientific shelf-life requirements. NPPC supports eliminating obstacles to trade that are not based on sound scientific requirements to provide better access to the Singapore market.

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. While pork exports recovered to more historical levels in 2023, the market is nowhere near the size that it should be due to the ongoing COOL requirements and the lingering effects of non-science-based MRL policies. 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, but the tariff rate remains higher than the rates for competitors like the European Union, Russia, and Canada 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.



The Global Voice for
the U.S. Pork Industry

Again, NPPC expresses its appreciation for the opportunity to comment on the NTE 2025 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,

A handwritten signature in blue ink, appearing to read 'M. Zieba', written in a cursive style.

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