



Statement of

James Boyer, Owner, Boyer Farms

On behalf of the

National Pork Producers Council

Presented to the

**House Committee on Small Business
Subcommittee on Agriculture, Energy and Trade**

**Market Closed: Foreign Trade Barriers Facing Small
Agriculture Exporters**

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The National Pork Producers Council (NPPC) appreciates the opportunity to present its views on the application by foreign nations of non-science-based sanitary and phytosanitary (SPS) measures that restrict market access of U.S. farm products and adversely affect small producers. We also appreciate the interest the Subcommittee on Agriculture, Energy and Trade has in efforts to ensure that future trade agreements include more robust and effective dispute resolution mechanisms to address the misuse of SPS.

NPPC is an association representing a federation of 43 state producer organizations and represents the federal and global interests of 67,000 U.S. pork operations that annually generate approximately \$15 billion in farm gate sales.

To fully appreciate the significance of unfair foreign SPS measures, it is essential to understand the importance of exports to the U.S. pork industry and the considerable value they add to both the agriculture economy and the overall U.S. economy. An estimated \$21 billion of personal income from sales of more than \$97 billion and \$34.5 billion of gross national product are supported by the U.S. hog industry. Iowa State University economists estimate that the U.S. pork industry is directly responsible for the creation of nearly 35,000 full-time equivalent jobs and helps generate an additional 515,000 indirect jobs such as in veterinary services, input supplies and other local business support.

For each 1 percent increase in the size of the U.S. pork industry, the U.S. economy creates 920 direct full-time jobs and 4,575 jobs in total. And for each additional 1 percent of U.S. pork production that is exported, live hog prices increase by approximately \$3 per hog. Currently, pork exports account for 27 percent of U.S. production. This level of exports added \$55 to each hog marketed by U.S. pork producers, significantly adding to their bottom-line. Higher prices eventually stimulate additional pork production, and the industry expands to meet the new opportunity, thus creating more jobs.

Last year, U.S. pork exports were valued at \$6.2 billion, almost \$1.5 billion more than the year before. Through May of this year, they are on a pace to grow by another 14 percent, or an additional \$870 million, which could, however, be affected by the drought across much of our nation. The U.S. Department of Agriculture estimates that each \$1 billion in additional agricultural exports generates approximately 8,400 new U.S. jobs, but in the meat sector, USDA puts the job-creating number at more than 12,000. So, the increase in pork exports in 2011 created about 18,000 new U.S. jobs, with an additional 11,000 or so possibly added again this year.

This export growth has been achieved despite significant barriers to our products in the form of unjustified health or sanitary measures. However, as SPS barriers continue to multiply in our many export markets the cost to our industry is in the billions of dollars. Some of the more significant ones are described below and are also covered in the National Trade Estimates Report on SPS measures prepared each year by the Office of the U.S. Trade Representative.

The National Trade Estimates Report, which is 89 pages long and covers 46 countries, offers clear evidence that the use of such measures to restrict trade has become almost common practice. As trade agreements have reduced or eliminated traditional forms of import protection, such as tariffs and tariff-rate quotas, governments that wish to accommodate protectionist pressures from domestic industries have increasingly turned to sanitary and phytosanitary restrictions. Although such measures are often unjustifiable on the basis of sound science and are thereby inconsistent with the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), governments know that if they are challenged, the dispute resolution process is likely to allow them at least two years of continuing protection.

The United States has, by our count, taken advantage of the SPS Agreement to challenge unfair measures in four instances since 1995 and was successful in each case. USTR is currently pursuing an SPS case against India on poultry restrictions. Although bilateral consultations with offending governments can sometimes result in favorable outcomes and should be pursued initially in all cases, NPPC is of the view that formal dispute settlement action must be taken more frequently than has been the case in the past. Not only are such cases generally successful, it is the threat of such action that provides the leverage necessary to make bilateral consultations more likely to succeed. Moreover, and most important, a successful dispute resolution outcome can have global benefits by signaling to other nations employing the same or similar measures that they are also subject to challenge and by preventing additional countries from mimicking such measures.

NPPC has also seen our trading partners attempt to help justify specific SPS measures by suggesting to other countries that they adopt similar restrictions or by lobbying in international standards-setting bodies against the adoption of standards that would call into question the legitimacy of their restrictions on the basis of sound science and risk assessments. The plain fact is that an unfair SPS measure that is left unchecked is bound to spread to other countries seeking relief from import competition in the same type of product.

NPPC has worked constructively with officials at USTR and USDA to resolve SPS problems bilaterally, and we have been successful in restoring pork trade in some critical situations. The widespread and totally unjustified bans on pork imports erected during the H1N1 outbreak is a case in point.

We have also supported efforts to take advantage of trade agreements to gain acceptance by our trading partners of the U.S. meat inspection and certification system as equivalent to their own, thereby reducing the likelihood of differences in meat inspection regimes being used as a justification for restricting imports from the United States. These efforts have been successful in some cases but not in all.

NPPC also supports efforts to strengthen international rules governing the uses of SPS measures as part of trade agreements. In the ongoing Trans-Pacific Partnership negotiations, NPPC, along with other agricultural organizations, is calling for a WTO-

plus chapter that would improve on WTO rules in a number of areas and would provide a dispute resolution process to allow enforcement of those rules.

Below are some examples of sanitary measures that are being unfairly employed by countries to restrict imports of U.S. pork products. We would be pleased to provide any additional information on these matters that Committee members might require on the examples enumerated herein or the other SPS problems that we face, which are not discussed in this statement. We are convinced that if we sit passively by while these and other such measures are erected and maintained, we will see our exports rapidly erode. Our producers understand that the future of our industry depends on adopting new and safe technologies and in increasing exports to reach the vast majority of the world's population, which resides outside our borders. We must protect our current access from unfair barriers or such expansion will be impossible.

Trans-Pacific Partnership (TPP) and Participating Countries

The Trans-Pacific Partnership (TPP) Agreement is an Asia-Pacific regional trade agreement that includes the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. NPPC enthusiastically supports the TPP negotiations. Pork producers expect a 21st century outcome with a robust market access outcome similar to that of the U.S.-Korea and U.S.-Colombia FTAs that will include the elimination of all SPS barriers in each TPP nation.

Mexico and Canada were invited to join the TPP negotiations in June 2012 and will begin to participate in the negotiations later this year. Additionally, Japan expressed an interest in joining TPP negotiations in November 2011, but a membership decision has not yet been made. NPPC and virtually all other U.S. food and agriculture organizations strongly support Japan's entry into the TPP, which would move TPP from being a very important potential trade deal to being the most important trade negotiation ever for U.S. food and agriculture.

NPPC and many other food and agricultural organizations have been working with USTR since the early stages of the TPP negotiations to gain acceptance of a "WTO-plus" agreement – i.e., an agreement with disciplines that go beyond those in the WTO *Agreement on the Application of Sanitary and Phytosanitary Measures*. Our proposals to USTR reflected the priorities of the industry coalition:

- Strengthening and elaborating requirements regarding risk assessment and risk management.
- Reinforcing the WTO rule that requires regulators to select the least-trade-restrictive of available risk management options.
- Granting importers the automatic right, in the case of an adverse test result, to a confirmatory test in a competent laboratory that uses validated testing methods.
- Enhancing transparency in regulatory decision making.
- Promoting better adherence to international standards.

As a result of these efforts, USTR submitted a proposal that covered all of our key issues, but it has not yet agreed to press to make the new rules enforceable through dispute settlement. We continue to push for a change in the U.S. position on this issue. A strong SPS chapter with improved disciplines and a strong enforcement provision must be part of the TPP and would enable U.S. agricultural interests to better challenge unfair SPS measures, such as those enumerated below, by TPP member countries:

Vietnam

Of the countries currently participating in the TPP negotiations, Vietnam offers the most potential for expanded U.S. pork exports. The U.S. pork industry will only support a final TPP agreement if there is a robust market access outcome on pork in Vietnam, including the elimination of all SPS barriers. Vietnam's domestic pork consumption is 1.8 million metric tons (MT) a year, bigger than Mexico, which is currently the top export market for U.S. pork, in terms of volume. In 2008, the year following Vietnam's WTO accession, U.S. pork exports rose to a record 16,777 MT. However, since that time, U.S. pork sales to Vietnam have plummeted to a total of only 3,571 MT in 2011. The steep decline in U.S. pork sales to Vietnam can be attributed almost entirely to a series of sanitary barriers, outlined below, that Vietnam has placed on pork imports over the last two years. These restrictions cannot be justified on any legitimate food safety basis and are clearly designed to protect Vietnam's producers from imports. It is imperative that these restrictions be removed as soon as possible.

Pork Offal Ban. In July 2010, Vietnam instituted a complete ban on the importation of all pork offals. No explanation was given for the import ban. As a result of the ban, U.S. pork offal sales to Vietnam plummeted from 5,943 MT in 2008 to 679 MT in 2011. In March 2011, Vietnam lifted the import ban on "red offals" (heart, liver, kidney) but left the ban on "white offals" in place. Again, no reason was given for lifting the import ban on red offals while leaving it in place for white offals. The United States is a significant exporter of so-called white offal products to other Asian markets; hence, the ban on white offals is doing real damage to U.S. pork sales to Vietnam.

MRLs on Pork Offals. Vietnam refuses to recognize the scientific process of applying a "reference" maximum residue level (MRL) for compounds in pork offals. This process is recognized by the Codex Alimentarius and is used by the United States and most other countries. In lieu of establishing a reference MRL, Vietnam has instead established non-science-based MRL requirements for individual pork offal products. Thus, even if the import ban on white offals is lifted, this practice will continue to inhibit U.S. exports of offals.

Zero Tolerance for Pathogens on Pork Products. Vietnam also appears to be enforcing a zero-tolerance policy for pathogens on raw meat products, including pork. No country in the world, including Vietnam, can guarantee the complete absence of pathogens on raw meat products. The United States and many other countries use the Hazard Analysis and Critical Control Points (HACCP) process

to ensure product safety as it relates to pathogens. Vietnam's zero-tolerance policy for pathogens is not based on science, and it likely violates numerous provisions of the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures.

Plant Registration Requirements. In May 2010, Vietnam issued "Circular 25," which requires U.S. exporting establishments to provide the Vietnamese government with company-specific information that is administratively burdensome and irrelevant to ensuring food safety. Both USDA and U.S. exporting companies have worked with Vietnam to supply the requested plant information, but because of the extensive nature of Vietnam's information requests, only a fraction of interested U.S. companies are currently eligible to export pork to Vietnam.

Australia

Australia has implemented an unreasonable and unscientific approach to two commonly managed diseases that are endemic in the United States and other major pork producing countries in the world, including the European Union and Canada. The two diseases of concern are Porcine Reproductive and Respiratory Syndrome (PRRS) and Post Systemic Wasting Syndrome (PMWS), neither of which is a food-safety issue and neither of which poses a risk to human health. The majority of all U.S. trading partners do not impose restrictions on U.S. pork and pork products because of these diseases. In fact, Australia is only one of three countries in the world that impose restrictions because of PRRS and the only country in the world to impose restrictions because of PMWS. The World Organization for Animal Health (OIE) does not include the trading of pork as a risk of spreading PRRS. The OIE emphasizes that the main risk of spreading PRRS is through trade in live animals and semen and does not list measures to control pork trade in its recommendations on prevention and control of the disease. Australia's barriers to trade are not scientifically justified and must be eliminated in the Trans-Pacific Partnership.

Malaysia

Although Malaysia is a Muslim country, there is a large ethnic Chinese population in the country, estimated at 10 million people, and very good potential for increased demand for imported pork. Malaysia has recently instituted a series of SPS and other measures that seriously restrict imports of pork. These restrictions cannot be justified based on any legitimate food-safety concerns and are clearly designed to protect Malaysia's producers from imports.

Pork Products Banned for Import. Malaysia's Department of Veterinary Services (DVS) maintains a list of pork products that are allowed entry into Malaysia. Until recently, the allowable import list included bellies, pig feet, spare ribs and intestines for the fresh market and hams and other cuts for further processing. However, on May 18, 2011, DVS issued a decree banning imports of pork bellies and spare ribs. Malaysia has never provided an adequate explanation

of why it maintains an effective import ban on sales of these and certain other pork products, and the ban is clearly WTO illegal.

Plant Inspection and Registration Requirements for Export to Malaysia. Until last May, Malaysia recognized the U.S. plant inspection and approval system as equivalent to its own, allowing imports from all USDA-approved plants. DVS informed the U.S. embassy at that time that all U.S. plants would have to fill out a lengthy application form and submit it to DVS after which U.S. plants would be inspected by DVS officials. U.S. plants had to pay the costs of Malaysian officials' travel to the United States as well as for their time in-country. Each plant was also required to pay a processing fee to DVS of \$1,660. All of this had to be completed by July 1, 2011, and any resulting plant approvals would be good for a maximum of two years. Having no basis for rescinding its "equivalence" determination for U.S. plants, this action was obviously designed to restrict the flow of U.S. product to Malaysia.

Canada

Canada requires testing for pseudorabies and brucellosis testing of breeding hogs imported from the United States. The United States has one of the healthiest commercial swine herds in the world. Based on the results from ongoing national disease surveillance programs, USDA Veterinary Services recognizes all states as being free of pseudorabies and brucellosis in commercial production swine. Canada should recognize the U.S. swine herd as free from pseudorabies and swine brucellosis for commercial breeding animals. Canada does not require testing for these animal diseases in swine exported to Canada for slaughter and should not require it for breeding animals exported from the United States to Canada.

New Zealand

New Zealand restricts market access for U.S. pork based on unscientific concerns about the transmission of porcine reproductive and respiratory syndrome (PRRS). PRRS is not a food-safety issue and does not pose a risk to human health. In fact, a group of international experts reviewed the New Zealand risk assessment and determined that even though it took an overly conservative approach, the likelihood of transmission of PRRS is 1 in every 1,227 years. The World Organization for Animal Health (OIE) does not include the trading of pig meat as a risk of spreading PRRS. The OIE emphasizes that the main risk of spreading PRRS is through trade in live animals and semen and does not list measures to control pork trade in its recommendations on prevention and control of the disease. The legal importation of fresh, chilled and frozen pork from PRRS-endemic countries has never resulted in any outbreak of PRRS in countries that are known to be PRRS-free.

A New Zealand Import Health Standard (IHS) has been proposed that would permit imports of consumer-ready cuts of uncooked pork of less than three kilograms, and that proposal was upheld by New Zealand's High Court in May 2012. However, the New

Zealand pork industry has filed an appeal of that ruling, and it is uncertain how long the High Court will take to make a decision on the appeal. In the meantime, no U.S. pork can take advantage of the access the IHS would provide. New Zealand should remove all PRRS -related trade restrictions and provide full access for U.S. pork and pork products as a result of the TPP negotiations.

Chile

Chile currently requires that U.S. fresh/chilled pork shipped to Chile be tested for trichinosis and that frozen pork meet specific time/temperature requirements for freezing. These mitigation requirements are costly and unnecessary. There is negligible risk of trichinosis in the U.S. commercial swine herd because of improved biosecurity and feeding regulations. There has not been a single detection of trichinosis in the U.S. commercial herd in over a decade, and U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork is nearly 1-in-300 million. Chile's trichinosis mitigation requirements for U.S. fresh/chilled and frozen pork are not based on any legitimate food-safety concerns and significantly reduce U.S. pork exports to Chile. Therefore, Chile should remove all trichinae risk mitigation requirements as a result of the TPP negotiations.

Peru

Peru currently requires that U.S. fresh/chilled pork shipped to Peru be tested for trichinosis and that frozen pork meet specific time/temperature requirements for freezing. These mitigation requirements are costly and unnecessary. There is negligible risk of trichinosis in the U.S. commercial swine herd because of improved biosecurity and feeding regulations. There has not been a single detection of trichinosis in the U.S. commercial herd in over a decade, and U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork is nearly 1-in-300 million. Peru's trichinosis mitigation requirements for U.S. fresh/chilled and frozen pork are not based on any legitimate food-safety concerns and significantly reduce U.S. pork exports to Peru. Therefore, Peru should remove all trichinae risk mitigation requirements as a result of the TPP negotiations.

Singapore

Like other countries in Southeast Asia, Singapore is a market ripe for U.S. pork export expansion. But the country has erected barriers to pork imports. U.S. pork and pork exports to Singapore peaked in 2008 at 11,468 MT and totaled 10,392 MT in 2011.

Trichinae Mitigation. Singapore currently requires that U.S. fresh/chilled pork shipped to Chile be tested for trichinosis and that frozen pork meet specific time/temperature requirements for freezing. These mitigation requirements are costly and unnecessary. There is negligible risk of trichinosis in the U.S. commercial swine herd because of improved biosecurity and feeding regulations. There has not been a single detection of trichinosis in the U.S. commercial herd in

over a decade, and U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork is nearly 1-in-300 million. Singapore's trichinosis mitigation requirements for U.S. fresh/chilled and frozen pork are not based on any legitimate food-safety concerns and significantly reduce U.S. pork exports to Singapore. Therefore, Singapore should remove all trichinae risk mitigation requirements as a result of the TPP negotiations.

Pathogen Reduction Treatments. Despite a strong body of scientific research to support the safety of pathogen reduction treatments (PRTs) in meat production, Singapore maintains a ban on the use of PRTs in meat production, including pork.

PRTs are approved for use in the United States as a means of reducing or eliminating bacterial contamination and improving product safety for meat products, including pork. The use of PRTs in pork production was subject to rigorous risk assessment by the U.S. Food and Drug Administration (FDA), which found the use of these treatments in accordance with recommended manufacturing practices to be a safe and effective way of eliminating bacterial contamination on pork products. The *Codex Alimentarius* has also recognized the safety of PRTs in meat production when used in accordance with good manufacturing practices. Several U.S. meat exporting companies in the United States currently make use of PRTs for pork, including the use of lactic acid, acetic acid and peroxyacetic acid.

We are not aware of any science-based risk assessment conducted by Singapore, nor can it point to scientific evidence indicating that the use of PRTs in meat production is unsafe. The Singapore PRT ban thus violates fundamental principles of the WTO SPS Agreement and acts as a significant impediment to U.S. pork exports to Singapore. Singapore should remove the ban on the use of PRTs as a result of the TPP negotiations.

Russia

In November 2011, the World Trade Organization (WTO) approved Russia's request for accession to the WTO, and Russia will formally accede to the WTO on August 22, 2012. Although Russia established zero-duty tariff rate quotas for pork products totaling 430,000 MT as part of its WTO Accession commitments, it is highly unlikely that the U.S. pork industry will be able to take full advantage of these TRQs because of a long list of Russian SPS barriers to meat imports. Russian food safety officials have recently made statements that they intend to leave these unjustifiable and trade-restrictive SPS measures in place after Russia's accession to the WTO and that they may even soon add additional SPS restrictions affecting trade in pork.

Following are Russian SPS measures that severely restrict U.S. pork imports and that cannot be justified on the basis of any legitimate food-safety concerns.

Equivalence. In recent years, Russia has delisted a large number of U.S. pork plants from eligibility to export pork for Russia. These delistments have taken

place for a variety of reasons, ranging from violations of Russia's unjustifiable, effective zero-tolerance policy for the antibiotic tetracycline (see details below) to minor administrative errors by U.S. plants in filling out Russian plant approval forms. Virtually none of the delistments that have taken place are based on legitimate food-safety concerns. At present, U.S. pork plants representing 50 percent of U.S. pork production capacity have been delisted from shipping to Russia. Russia did make a commitment as part of its WTO Accession that it would conduct an equivalence review for all WTO members expressing an interest. However, high-ranking Russian government officials have recently told groups in Moscow that they have no intention of granting equivalence to countries such as the United States that have had frequent violations of Russian SPS rules.

Tetracycline. Russia currently maintains an effective zero-tolerance policy for the presence in imported pork of tetracycline, a product found to be safe for use in pork production by both the Food and Drug Administration and the *Codex Alimentarius*. The United States has sought Russian adoption of either the U.S. maximum residue level (MRL) or the *Codex* standard for tetracycline. Numerous U.S. pork plants have been delisted as a result of Russia's zero-tolerance policy for tetracycline, and Russian government veterinary authorities have indicated that the zero-tolerance policy will remain in place after Russia accedes to the WTO.

Pathogens. Russia maintains a zero-tolerance policy for pathogens on meat products. No country in the world, including Russia, can ensure the complete absence of pathogens on meat. Acceptable practices for the mitigation of pathogens on meat products are outlined in the *Codex Alimentarius* "Code of Hygienic Practices for Meat." The United States system for mitigation of risk of pathogens adheres to the *Codex* code, and Russia should recognize that fact.

Trichinae Mitigation. Russia currently requires that U.S. fresh/chilled pork shipped to Russia be tested for trichinosis and that frozen pork meet specific time/temperature requirements for freezing. These mitigation requirements are costly and unnecessary. There is negligible risk of trichinosis in the U.S. commercial swine herd because of improved biosecurity and feeding regulations. There has not been a single detection of trichinosis in the U.S. commercial herd in over a decade, and U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork is nearly 1-in-300 million. Russia's trichinosis testing requirements for U.S. fresh/chilled pork are not based on any legitimate food-safety concerns and significantly reduce U.S. pork exports to Russia.

Possible ractopamine ban. Recent reports out of Moscow indicate that Russia may impose a ban on imports of pork produced with ractopamine even before it joins the WTO. It is already reportedly taking action against Brazil related to its use of ractopamine in pork production. Russia worked actively with the European Union in its unsuccessful effort to defeat a vote on the establishment of an MRL

standard for ractopamine in the *Codex* this year. As a result of that vote, the *Codex* now recognizes ractopamine as being safe for use in livestock production, as does the U.S. Food and Drug Administration and many other countries that make use of the product. Russia has no food-safety reason for implementing a ban on ractopamine. If it were to do so, it would seriously disrupt U.S. pork sales to Russia.

The European Union

At the November 28, 2011, U.S.-EU Summit, President Obama, European Council President Herman Van Rompuy and European Commission President Jose Manuel Barroso announced that the Transatlantic Economic Council (TEC) was being directed to establish a joint High Level Working Group on Jobs and Growth. The new working group is to explore options to generate jobs and economic growth, as well as to improve competitiveness. Included in these options will be the possibility of negotiating a U.S.-EU free trade agreement. NPPC is strongly supportive of this initiative. However, any trade deal with the EU must be a comprehensive, 21st century agreement. Nearly all of the EU's trade agreements are preferential trade agreements and exclude agriculture and SPS issues. Current EU SPS measures have resulted in the U.S. pork industry exporting more pork to Honduras than to the EU. The inclusion of agriculture will allow for the following SPS barriers to be addressed, opening a market that should be one of our largest markets for U.S. pork products.

Ractopamine. Ractopamine hydrochloride is a protein synthesis feed ingredient that improves weight gain and feed efficiency in livestock. The U.S. Food and Drug Administration approved the use of ractopamine in livestock production in 1999, following an extensive risk assessment.

The EU bans the use of ractopamine in pork production and the import of pork produced with ractopamine despite the lack of a science-based risk assessment to justify its actions. As a consequence, the United States has been forced to implement a costly and administratively burdensome Pork for the EU (PFEU) program, designed to ensure that only U.S. pork produced without ractopamine is shipped to the EU. The EU ban on ractopamine means that only a small fraction of U.S. pork, which can be clearly shown to be produced without ractopamine, can be shipped to the EU.

In July 2012, the *Codex Alimentarius* voted to establish a recommended maximum residue level (MRL) for ractopamine, thus recognizing the safety of the product in livestock production. Formal recognition by the *Codex* of the safety of ractopamine came in spite of the adamant opposition of the EU and allied countries, which for many years have attempted to block *Codex* approval of the product. In recognizing the safety of ractopamine, the *Codex* joins the U.S. Food and Drug Administration and numerous other countries that have approved the product for use in livestock production or that allow the import of pork produced with ractopamine.

The EU, on the other hand, has never conducted a science-based risk assessment for ractopamine in livestock production, nor has it cited any legitimate food-safety concerns related to use of the product. The EU ractopamine ban thus violates fundamental provisions of the WTO Agreement on Sanitary and Phytosanitary Measures.

As noted, the EU's ractopamine ban severely restricts U.S. pork sales to the EU market. Economist Dermot Hayes of Iowa State University has estimated that if the EU removed the ractopamine ban, the United States would be in a position to fill the EU's 75,000 MT tariff rate quotas, translating into increased U.S. pork exports of 60,000 MT valued at roughly \$180 million.

Trichinae Mitigation. The EU currently requires that U.S. fresh/chilled pork shipped to the EU be tested for trichinosis and that frozen pork meet specific time/temperature requirements for freezing. These mitigation requirements are costly and unnecessary. There is negligible risk for trichinosis in the U.S. commercial herd. There has not been a single detection of trichinosis in the U.S. commercial herd in over a decade, and U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork at 1-in-300 million. The EU's trichinosis testing requirements for U.S. fresh/chilled pork are not based on legitimate food-safety concerns and are a significant barrier to U.S. pork sales to Europe.

Pathogen Reduction Treatments. Despite a strong body of scientific research to support the safety of pathogen reduction treatments (PRTs) in meat production, the EU maintains a ban on the use of PRTs in meat production, including pork. Current EU regulations require that food producers not use any substance other than potable water in removing contamination from meat products. In June 2008 the European Food Safety Agency (EFSA) reversed an earlier finding that PRTs were safe for use in meat production, and in December 2008, the EU Agriculture Council rejected a request by the EU Commission to approve the use of four PRTs in U.S. poultry production.

In January 2009, the United States requested WTO consultations on the EU ban on PRTs in poultry production, and in November 2009, the WTO approved the formation of a panel on the issue. Thus far, the panel has not met.

PRTs are approved for use in the United States as a means of reducing or eliminating bacterial contamination and improving product safety for meat products, including pork. The use of PRTs in pork production was subject to rigorous risk assessment by the U.S. Food and Drug Administration (FDA), which found the use of these treatments in accordance with recommended manufacturing practices to be a safe and effective way of eliminating bacterial contamination on pork products. The *Codex Alimentarius* has also recognized the safety of PRTs in meat production when used in accordance with good manufacturing practices.

Several U.S. meat exporting companies in the United States currently make use of PRTs for pork, including the use of lactic acid, acetic acid and peroxyacetic acid.

The EU has not conducted a science-based risk assessment, nor can it point to scientific evidence indicating that the use of PRTs in meat production is unsafe. The EU PRT ban thus violates fundamental principles of the WTO SPS Agreement and acts as a significant impediment to U.S. pork exports to Europe.

Plant Approval Requirements. The EU requires approval of third country meat plants for them to be eligible to export meat to the EU. Even though there have been improvements in recent years in EU requirements for plant approval, such as the removal of cover molding requirements and wall coloring requirements, the EU still maintains at least two requirements for plant approval that impose burdens on U.S. pork plants seeking approval for export to the EU: 1) a requirement that meat exported to the EU not be commingled with other product in slaughter plants, and 2) a pig heart incision requirement. Neither of these two requirements can be justified based on legitimate food-safety concerns. It has been estimated that these requirements add an additional \$132 per MT to U.S. exporter costs.

China

China is a large and fast growing market for U.S. pork exports. However, U.S. pork exports are constrained by the fact that China maintains a ban on imports of pork produced with ractopamine. This means that only a limited number of U.S. meat plants can export to the Chinese market.

U.S. concerns about bans on the import of pork produced with ractopamine can be found in the EU section above. The U.S. FDA and the *Codex Alimentarius* recognize the safety of ractopamine in U.S. pork production, as do numerous other countries. There is no science-based food safety reason for China's ractopamine ban, and in fact, data provided by China on residue studies of ractopamine actually supported the international standard set by the *Codex*.

There have been rumors that the Chinese government may be considering changes to its current ractopamine policy. Given the size of the market and rumors that China may be showing signs of flexibility on ractopamine, we believe it prudent to show some patience with regard to China's ractopamine policy.

Taiwan

Taiwan has maintained a ban on the import of pork produced with ractopamine for four years. As is the case with the EU and China, Taiwan's ractopamine ban significantly impedes U.S. pork exports. Despite years of discussion with the Taiwanese government and multiple indications that it was considering removing the ban, the ractopamine ban remains in place to this day. As noted in the description of ractopamine bans in the EU

and China, both the U.S. FDA and the *Codex Alimentarius* recognize the safety of ractopamine in livestock production. Taiwan maintains the import ban even though it has no science to indicate that use of the product is unsafe and no risk assessment to support its ban. Taiwan is thus in violation of fundamental principles contained in the WTO SPS Agreement. Following the establishment of a recommended maximum residue level for ractopamine at the *Codex Alimentarius Commission*, Taiwan publicly stated it would not recognize the international standard. Iowa State economist Dermot Hayes has estimated that if Taiwan's ractopamine ban were lifted, U.S. pork exports would increase by about \$417 million within 10 years. Taiwan has shown interest in joining TPP. Countries that so blatantly ignore science to block imports should not be admitted to the TPP.

South Africa

On May 31, 2012, South Africa notified the WTO Committee on Sanitary and Phytosanitary Measures of its intention to impose new requirements on the import of pork from other WTO members. These new requirements are related to concerns on the part of the South African government about the possibility of introducing Porcine Reproductive and Respiratory Syndrome (PRRS) into the South African herd through imported pork.

As a country that is not free of PRRS, the United States will presumably be subject to South Africa's PRRS-related import restrictions when they are implemented in July 2012.

In more than 20 years of exporting pork originating from PRRS-endemic countries to PRRS-free countries, there has been no evidence to indicate a single case of PRRS being conveyed through imported pork. This is the case in numerous PRRS-free countries, including but not limited to Switzerland, Norway, Sweden and Finland. As indicated in earlier comments, the OIE does not include the trading of pork as posing a risk for spreading of PRRS. The OIE emphasizes that the main risk of spreading PRRS is through trade in live animals and semen.

There are numerous reasons trade in pork poses almost no risk of PRRS transmission, including that: 1) most fresh/chilled pork would be held at least seven days from the time of slaughter to the time of retail sale, during which time 90 percent of infectivity is lost; 2) the infection rate from consumption by livestock of PRRS-infected meat is inefficient in conveying the disease; 3) most countries, including South Africa, ban the garbage feeding of pork waste to commercial herds; and 4) survival of the PRRS virus is highly sensitive to heat and to changes in pH levels.

In other words, the chance of a South Africa-based PRRS infection from the import of U.S. pork is extremely unlikely. In light of this fact, South Africa should not impose PRRS-related restrictions on imports of U.S. pork.

Thailand

Thailand is another country that maintains a ban on the import of pork produced with ractopamine. In discussions with the U.S. government and the U.S. pork trade, Thai government officials have said that they would consider removing their ractopamine ban if the *Codex* established a recommended MRL for the product. As noted, the *Codex* did establish a recommended MRL for ractopamine in July 2012. The U.S. government and U.S. pork industry should give careful scrutiny to Thailand to determine whether it follows up on previous hints that it would remove its ractopamine ban if the *Codex* established a standard for ractopamine.

India

India requires that a country be free of High Pathogenic Avian Influenza as a condition for exporting pork. This may be a concern in developing countries where pigs, birds and humans live in close proximity, but it is not a concern in modern U.S. pork production, which includes high levels of biosecurity and sanitary practices. U.S. pork is safe to eat and handle, and any restrictions related to High Pathogenic Avian Influenza or other influenzas as a barrier to trade are not scientifically based.

The India pork export certificate requires that meat not have any residues of pesticides, drugs, mycotoxins or chemicals above the maximum residue limits (MRLs) prescribed internationally. It is uncertain to which compounds and their corresponding MRLs India is referring. India should adopt MRLs based on its own sound scientific risk assessments, the exporting country's MRL or international standards. The process should be transparent and based on a sound scientific process and should work toward reducing barriers to trade.

One of the most onerous challenges to exporting pork to India is the country's import permit system. India's International Sanitary Certificate for Import of Pork contains vague and restrictive animal health requirements that are not based on science. There are nine requirements that exporting countries be free of a variety of diseases and parasites. For example, as a condition for trade, a country must be free of porcine reproductive and respiratory syndrome (PRRS), trichinae and anthrax, which are not scientifically supported reasons to prohibit trade.

India's pork export certificate also requires plant-by-plant inspections of U.S. pork processing facilities. This is contrary to the principle of equivalence, which is a fundamental WTO SPS requirement that is based on a systemic audit process, not plant-by-plant approvals. NPPC strongly urges India to accept all USDA federally inspected plants as eligible to export to India.