

July 3, 2012

The Honorable Dave Camp  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC, 20515  
Submitted electronically via <http://waysandmeans.house.gov/committeesubmissions/>

Submitted by:

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***RE: Committee on Ways and Means hearing on Russia's Accession to the World Trade Organization and Granting Russia Permanent Normal Trade Relations***

The National Pork Producers Council (NPPC) hereby submits comments for consideration by the Committee on Ways and Means with regard to their hearing on Russia's Accession to the World Trade Organization and Granting Russia Permanent Normal Trade Relations. This document is submitted for inclusion in the printed record of the hearing.

NPPC is a national association representing a federation of 43 state producer organizations, representing the federal and global interests of 67,000 U.S. pork operations that annually generate approximately \$15 billion in farm gate sales. The U.S. pork industry supports an estimated 550,000 domestic jobs, of which 110,000 jobs are generated directly by U.S. pork exports, and generates more that \$97 billion annually in total U.S. economic activity.

The U.S. pork industry is highly dependent on exports as a revenue source. Nearly twenty three percent of the pork produced in the United States in 2011 was exported, compared to about eight percent ten years ago. In 2011 the United States exported 2.3 million metric tons of pork, valued at \$6.2 billion.

The United States remains, on average, the low cost producer of pork in the world. It is no coincidence that the United States is also the number one pork exporter in the world. The vast majority of demand for pork in the world today is outside the United States. In order to remain successful, the U.S. pork industry needs to continue to expand overseas sales, by removing unfair barriers to U.S. pork exports.

**I. The Russian Market for U.S. Pork**

Over the last three years, while Russia worked to conclude its negotiations with the United States and other World Trade Organization (WTO) members on the terms of Russia's accession to the WTO, U.S. exports of meat products to Russia have unfortunately dwindled in size. The table

below shows the decline in the value of U.S. meat sales to the Russian market since the peak year of 2008, and Russia's rank as an export market for the U.S in 2008 and 2011.

	<b>2008</b>	<b>Market Rank</b>	<b>2011</b>	<b>Market Rank</b>
Poultry	\$ .825 billion	1	\$250 million	4
Pork	\$ .414 billion	3	\$213 million	7
Beef	\$.090 billion	10	\$249 million	5
<b>Total Meat</b>	<b>\$1.329 billion</b>		<b>\$712 million</b>	
Total U.S. Exports to Russia	\$9.335 billion			
Meat as Percent of U.S. Exports	14.2%		8.6%	

The decline in U.S. meat sales to Russia took place not because of market factors, but a series of import barriers that Russia imposed on U.S. pork and other meat products during the 2008-2011 period. This included Russia's unilateral reduction in the size of tariff rate quota for imports of pork and other meat products, and a long list of completely unjustifiable health and sanitary restrictions on U.S. pork that severely impeded U.S. pork export sales.

As one of its WTO accession commitments, Russia agreed to establish a tariff rate quota for pork that we believe will be beneficial to the U.S. pork industry. We are deeply grateful to U.S. negotiators for their success in the area.

Unfortunately however, and in spite of the best efforts of our negotiators, Russia will very likely retain upon its WTO accession a series of sanitary and phytosanitary (SPS) measures with the potential to do serious damage to U.S. pork exports to Russia. We are deeply concerned that, in spite of the market access opening created through Russia's WTO pork TRQ, the United States will be unable to take advantage of this concession because of the many Russian SPS barriers that will remain in place.

Following is a list of unjustifiable Russian SPS barriers to U.S. pork imports that will likely remain in place after Russia accedes to the WTO. We believe that all of these policies are in likely conflict with WTO rules, which require that Members base their SPS measures on risk assessments and sound science, and recognize the equivalence of other Members' SPS measures if these measures achieve an appropriate level of SPS protection.

#### *Pork Plant Approval Policy*

Russia has for the last four years maintained plant approval and delistment policies that have resulted in the arbitrary removal of many U.S. pork plants from shipping to the Russian market. Reasons for delistment range from failure to comply with Russia's unjustifiable 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. At present, U.S. pork plants representing over 50 percent of U.S. pork production capacity are prohibited from shipping to Russia. Russia's arbitrary delistment of U.S. pork plants violates the terms of a 2006 U.S.-Russia Agreement on plant approvals.

Russia did make a commitment as part of its WTO accession to undertake an equivalence review of meat plant inspection and approval systems of all WTO members expressing an interest. But

in light of Russia's recent behavior on plant delistments and SPS issues in general, we have no confidence that such a review will lead to recognition of equivalence for U.S. pork plants.

It should be noted that both China and Vietnam provided the United States with bilateral commitments in the context of their WTO Accession, granting equivalence to the U.S. meat inspection and approval process. The United States has amply demonstrated to the Russian government through years of discussion the efficacy of our plant inspection and approval systems in protecting consumer and animal health, and there is no reason why Russia should not recognize the U.S. system as equivalent to its own.

### *Zero Tolerance for Tetracycline*

Russia maintains an effective zero tolerance policy for the presence of tetracycline in pork products. The United States has sought Russian adoption of either the *Codex Alimentarius* recommended standard or the U.S. standard for maximum residue levels (MRLs) for the antibiotic tetracycline. The use of tetracycline in animal feed has been recognized as safe by the U.S. Food and Drug Administration, the *Codex Alimentarius*, and almost all U.S. trading partners. Numerous U.S. pork plants have been delisted, and shipments rejected, because of Russia's zero tolerance policy for tetracycline. Russia's recent "risk assessment" on tetracycline, which it used to justify maintaining its effective zero tolerance policy, has been reviewed by U.S. experts, who found that it was not really a risk assessment at all, and that the conclusions were not based on science. There are reports that Russia has intensified its testing for tetracycline in recent months, even as it prepares to accede to the WTO.

### *Zero Tolerance for Pathogens*

Russia maintains an effective zero tolerance policy for pathogens on meat products including pork. No country in the world, including Russia, is able to meet this requirement. The United States has requested that Russia adopt *Codex Alimentarius* standards or the U.S. MRL for pathogens on meat. As with the zero tolerance policy for tetracycline, many U.S. pork plants have been delisted, and shipments rejected, because of Russia's unfounded zero tolerance policy for pathogens.

### *Trichinae Testing Policy*

Russia requires that all U.S. fresh and chilled pork be tested for the presence of trichinae, or frozen as a mitigation measure. Consumption of uncooked pork harboring trichinae can cause disease in humans. Trichinosis has effectively been eliminated from the U.S. commercial herd - there has not been a detected case in the U.S. herd in over a decade. The possibility of a U.S. consumer getting trichinosis from the consumption of U.S. pork is therefore negligible, and estimated by experts at one in three hundred million. Russia's trichinae related testing requirements are not science-based and significantly limit U.S. pork exports.

### *Possible Ractopamine Ban*

Many U.S. pork producers make use of ractopamine, a protein synthesis compound, as a way of improving production efficiency. Recent reports from Moscow indicate that Russia is considering imposing a ban on the use of ractopamine in pork production, possibly even before it accedes to the WTO. Russia has already reportedly taken action against Brazil, related to its use of ractopamine in pork production. The U.S. Food and Drug Administration, along with regulatory authorities in many other countries, have approved ractopamine for use in livestock production. The Joint Expert Committee on Feed Additives (JECFA), the scientific arm of the *Codex Alimentarius*, has also found the product safe for use in animal production. If Russia were to implement a ractopamine ban it would seriously disrupt U.S. pork sales to Russia.

## **II. Concluding Comments**

Unfortunately, Russia has taken action after action in recent years to disrupt pork imports from the United States, even as it worked to accede to the WTO. The Russian government has clearly played to the sentiments of Russian pork producers, even though the actions Russia has taken are inconsistent with basic principles contained in the WTO SPS Agreement. U.S. pork producers are heavily reliant on potentially large overseas markets like Russia for their profitability, and want to ensure that as a WTO member, Russia abides by all of its WTO obligations, including those contained in the WTO SPS Agreement.

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