



EU Trade Barriers and U.S. Meat Exports

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U.S. Meat Export Federation**



U.S.-EU Hormone Saga: 1989-Present

Phase 1 – The ban and its aftermath

Phase 2 – WTO Dispute Settlement

Phase 3 – 2009 U.S.-EU Beef MOU





Phase 1

The Ban and Its Aftermath



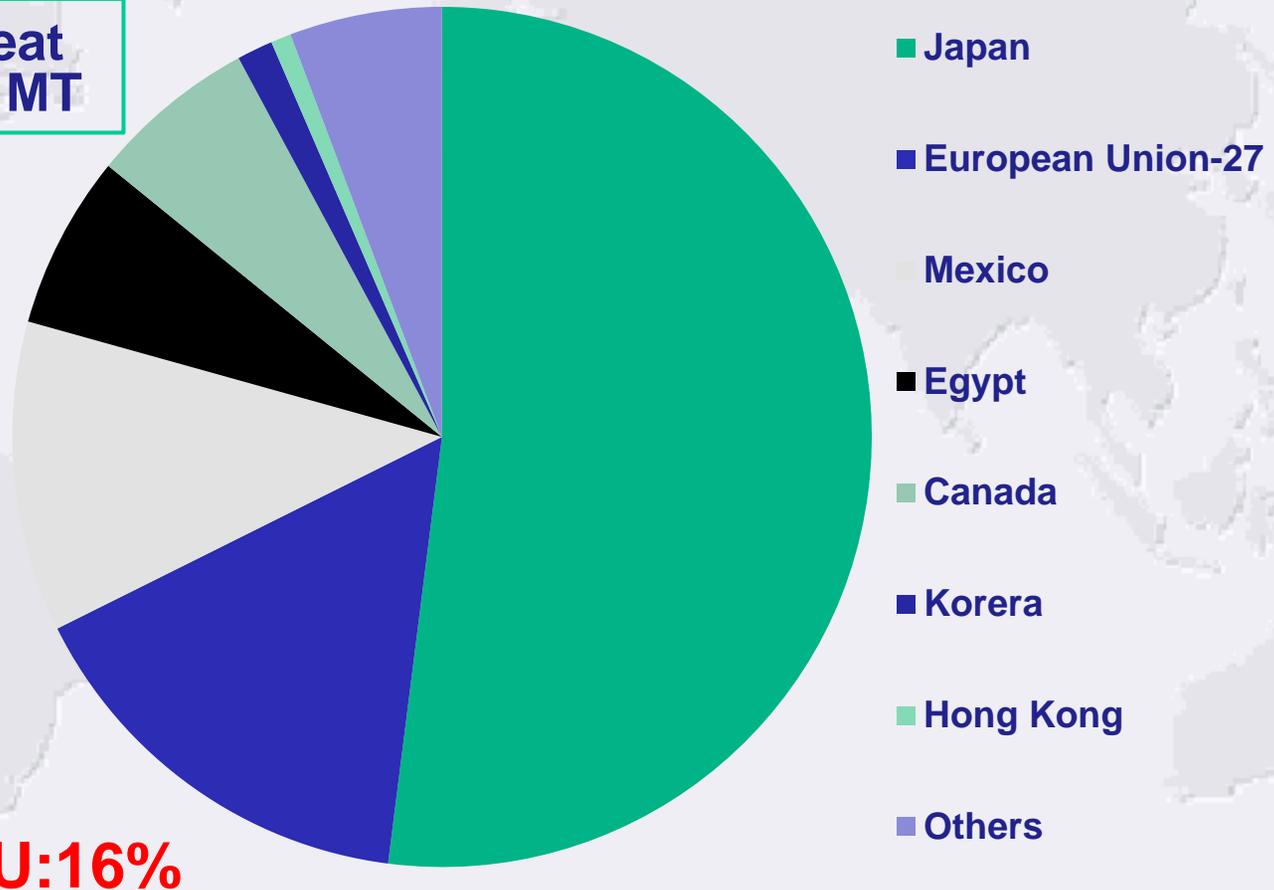
Factors Behind The Ban

- **Series of hormones scandals during the 1970 and 1980s**
- **EU beef mountain**
- **Inconsistent legislation in the member states**
- **Effective lobbying by consumer groups not matched by producer or pharmaceutical interests**
- **Enhanced role of the European Parliament in the public debate**



Top Export Markets for U.S. Beef, 1988

Beef & Variety Meat Exports: 443,178 MT



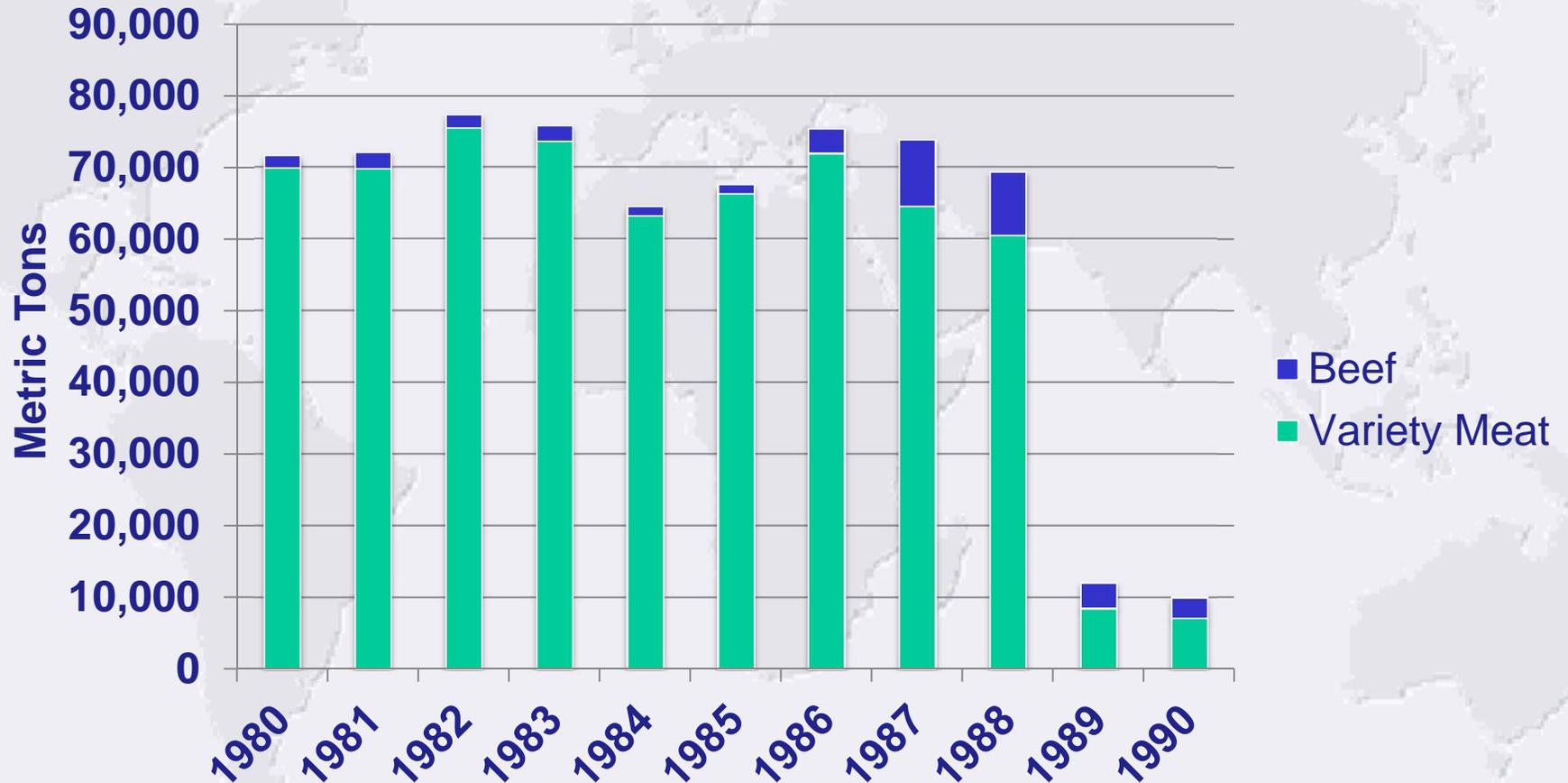
EU:16%



Source: USDA/FAS

U.S. Beef Exports to the EU

Beef & Variety Meats: 1980-1990

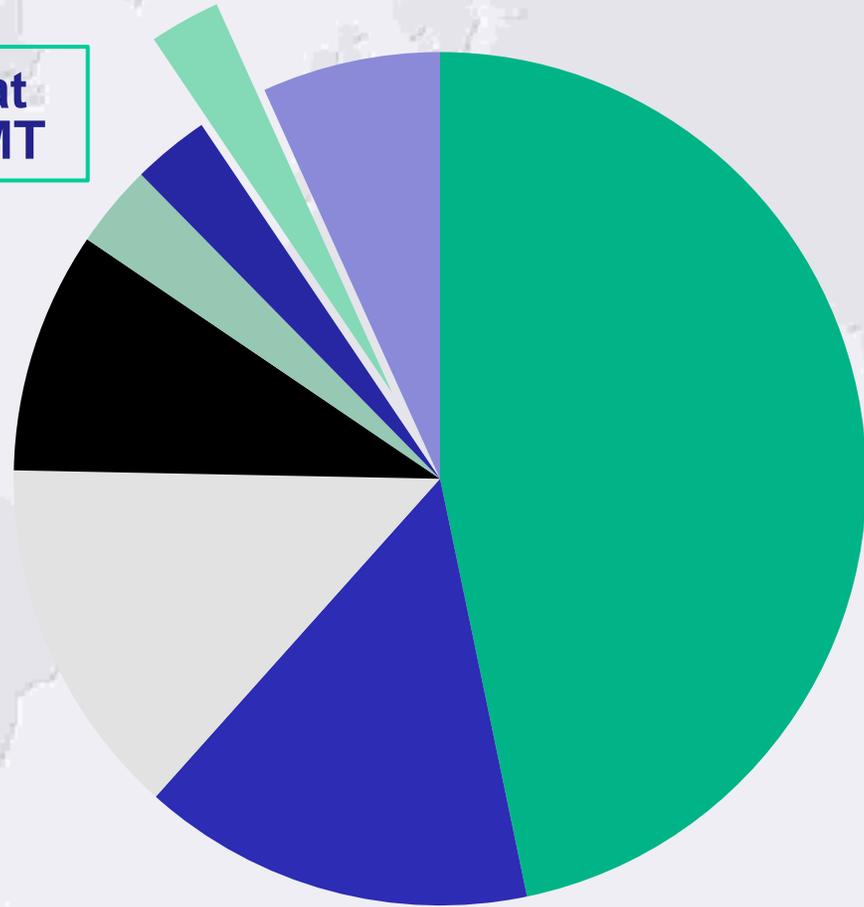


Source: USDA/FAS

Top Export Markets for U.S. Beef, 1994

Beef & Variety Meat
Exports: 790,837 MT

EU: 3%



- Japan
- Mexico
- Canada
- Korera
- Egypt
- Russia
- European Union-27
- Others



Source: USDA/FAS

1995 Codex Alimentarius Commission

- **Estradiol, Progesterone, & Testosterone – No MRL necessary. Residues are unlikely to pose a human health hazard**
- **Trenbolone acetate & Zeranol – MRLs established**
- **EU introduced for the first time the “precautionary principle” and the “fourth hurdle” into the Codex debate**





Phase 2

WTO Dispute Settlement



WTO Dispute Settlement Timeline

- **January 1996 – U.S. initiates WTO dispute settlement process**
- **February 1998 – Appellate Body upholds panel's ruling that the EU's hormone ban is inconsistent with the EU's obligations under the SPS Agreement**
- **July 1999 – WTO authorizes the U.S. to suspend concessions**



WTO Dispute Settlement Timeline

- **November 2003** – EU notifies the DSB that it has met its obligations through the implementation of a new regulation on hormones
- **November 2004** – EU initiates dispute settlement against the U.S. claiming that since it is now in compliance with its SPS obligations the U.S. should lift its retaliation
- **October 2008** – WTO issues mixed ruling permitting the U.S. and Canada to maintain their sanctions but also permitting the EU to maintain the hormone ban
- **December 2008** – EU requests consultations with the U.S. to argue that it is in compliance with the 1998 Appellate Body ruling





Phase 3

2009 U.S.-EU Beef MOU



Factors Leading to 2009 MOU

- **Elimination of EU beef mountain**
- **Increased production of natural beef in the U.S.**
- **Disillusionment with retaliation by the U.S. industry**
- **Threat of carousel retaliation**



Principal Elements of 2009 MOU

Phase 1: Create a new, 20,000 MT duty-free, MFN TRQ for HQB and suspend retaliatory duties on some of the products on the list. Duration: 3 years

Phase 2: Increase the TRQ to 45,000 MT and suspend retaliatory duties on the remaining products on the list. Duration: 1 year

Phase 3: To be determined

“Peace Clause”



Pathogen Reduction Treatments (PRTs)

- **2004 - Hygiene package established process for approving PRTs**
- **2008 - EU failed to approve PRTs for poultry**
- **2009 – Commission agreed to seek approval of PRT for beef**
- **December 2010 – U.S. applies to have lactic acid approved for beef**

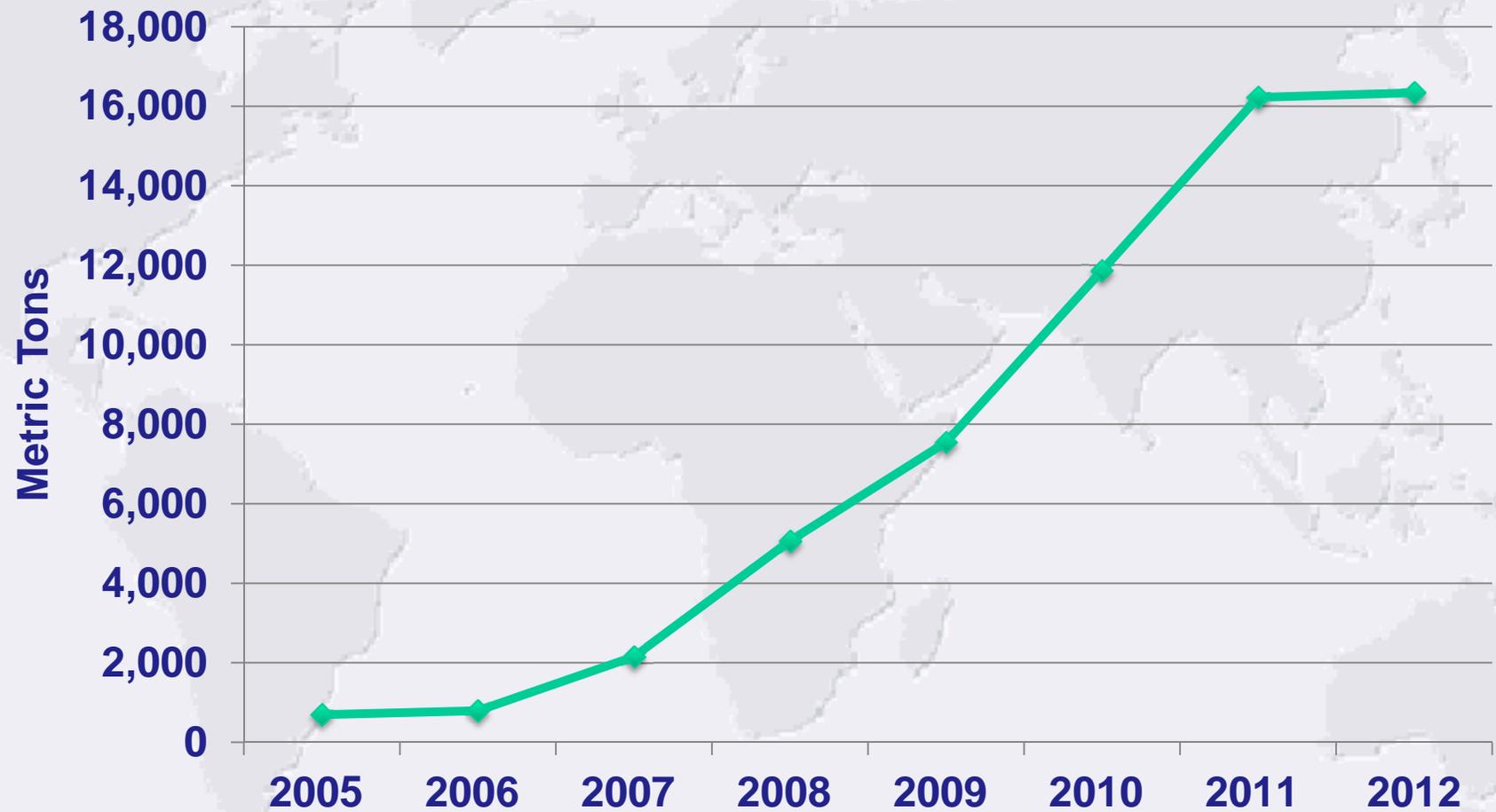


Pathogen Reduction Treatments (PRTs)

- **July 2011 – EFSA issues a positive opinion on lactic acid for beef**
- **October 2011- EU Industry-sponsored seminar on PRTs**
- **March 2012 – EU officials visit U.S. beef plants**
- **Feb, 25, 2013 – Regulation implemented approving use of lactic acid as PRT in beef plants**

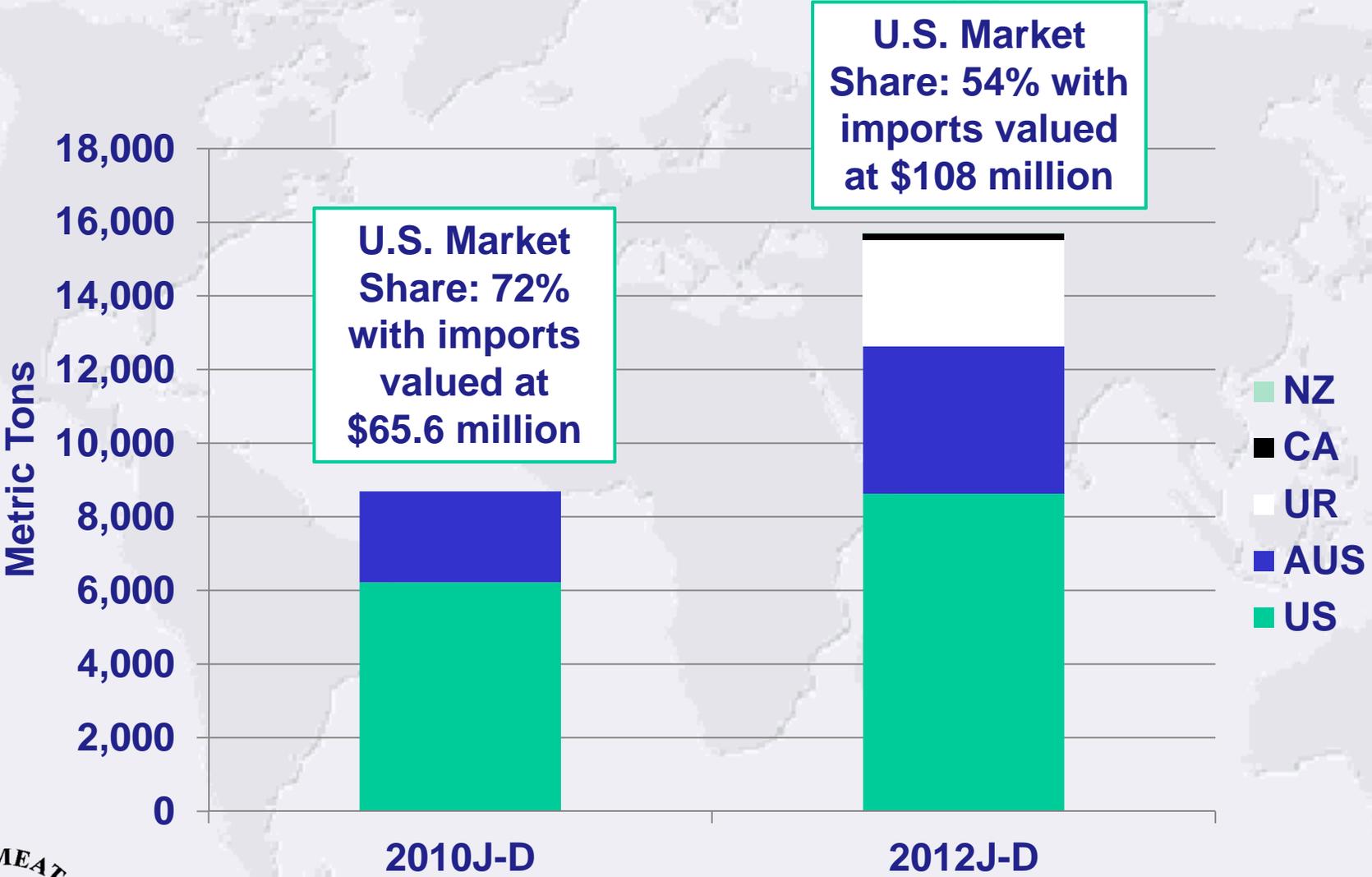


EU Beef Imports from the U.S.



Source: Global Trade Atlas

EU Beef Imports Under Duty-free TRQ



Source: European Commission, Global Trade Atlas, Dec 2012 is estimated

Bigger Picture

Price in global welfare that comes from permitting countries to maintain non-science-based measures

- **Reduced investment in productivity-enhancing technologies**
- **Reduced agricultural trade**
- **Reduced global food security**





THANK YOU





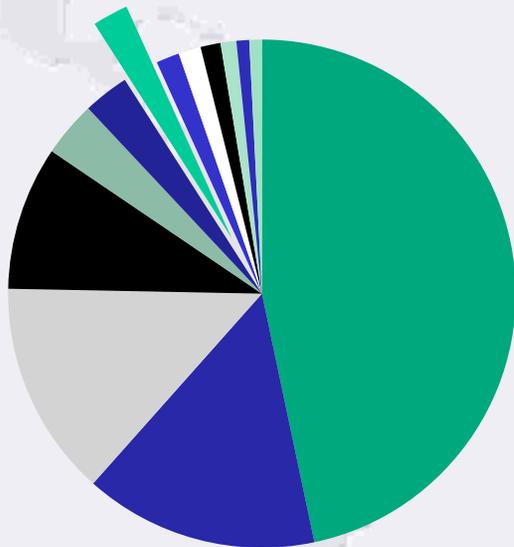
EXTRA SLIDES



Top Markets for U.S. Beef

Beef & Variety Meat Exports:
790,446 mt

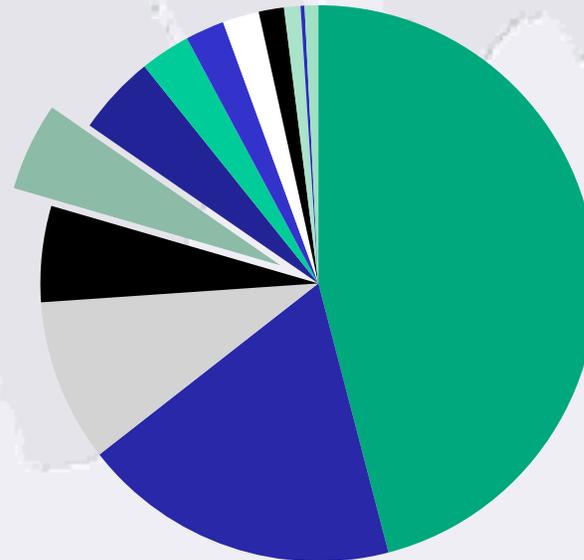
1994



- Japan
- Mexico
- Canada
- S. Korea
- Mid East
- Russia
- EU
- China/HK
- ASEAN
- C/S America
- Caribbean
- Taiwan
- Others

Beef & Variety Meat Exports:
1,030,872 mt

1998



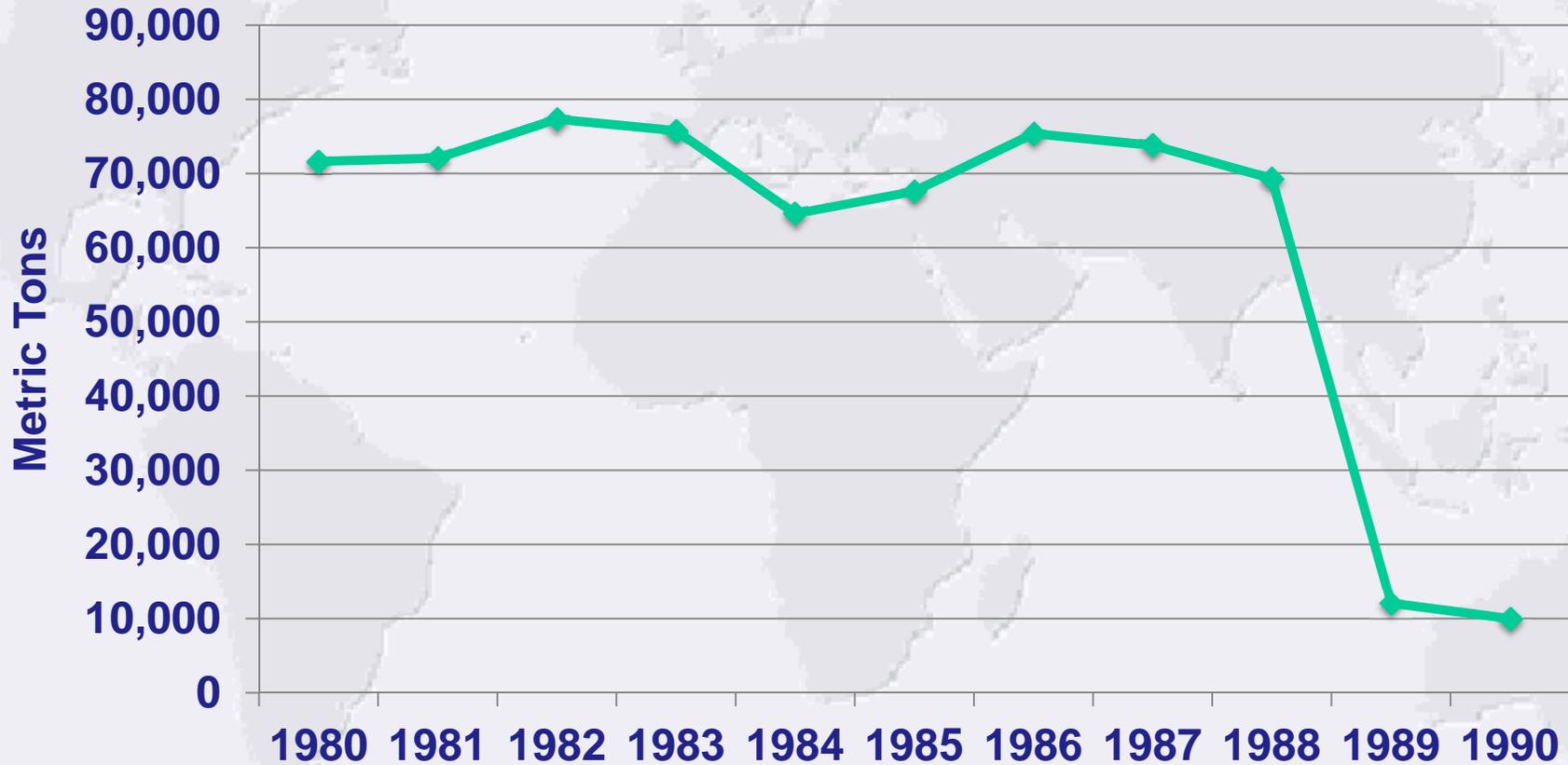
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Source: USDA/FAS

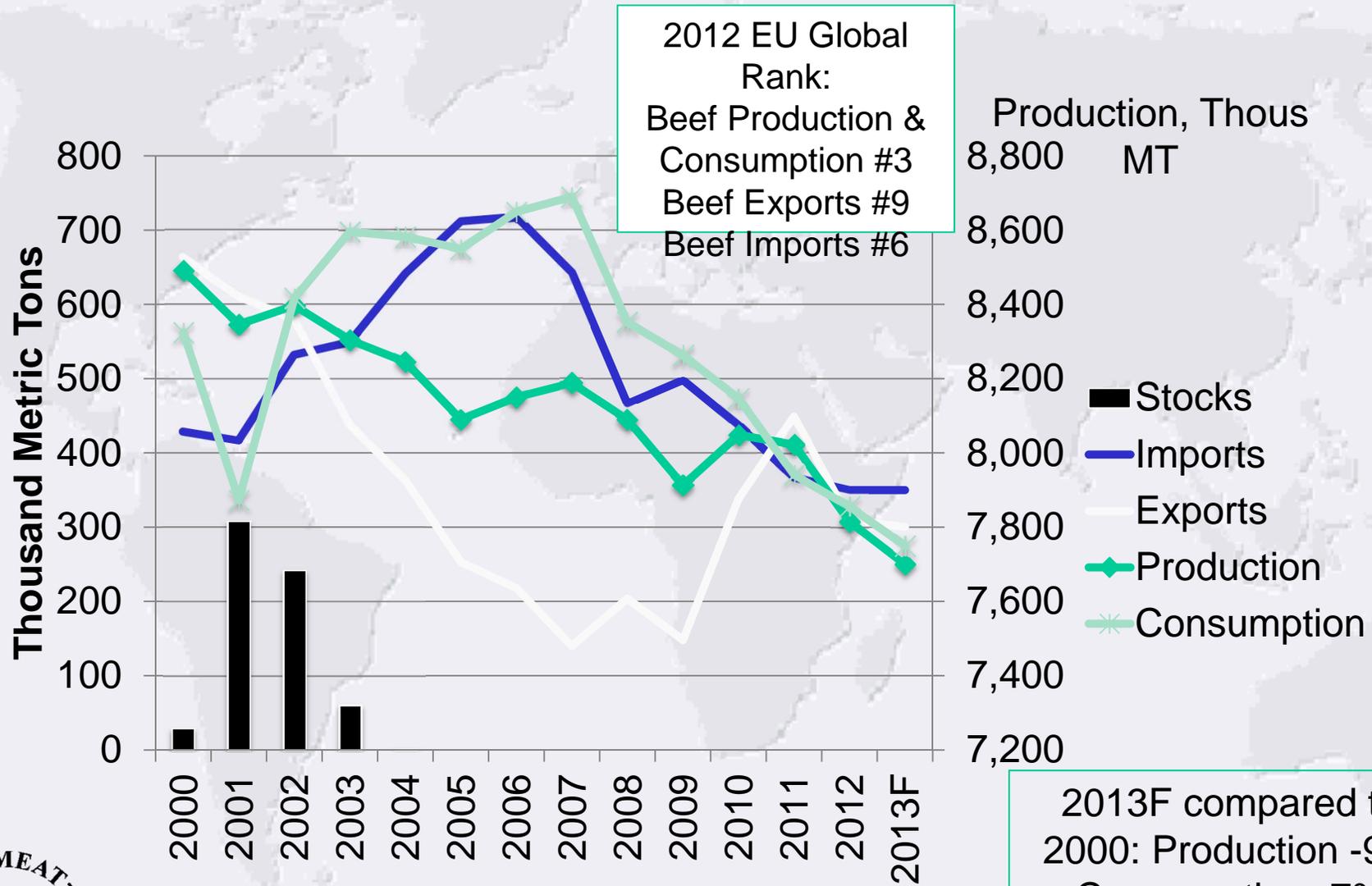
U.S. Beef Exports to the EU

Beef & Variety Meats: 1980-1990



Source: USDA/FAS

EU Beef Situation Since 2000

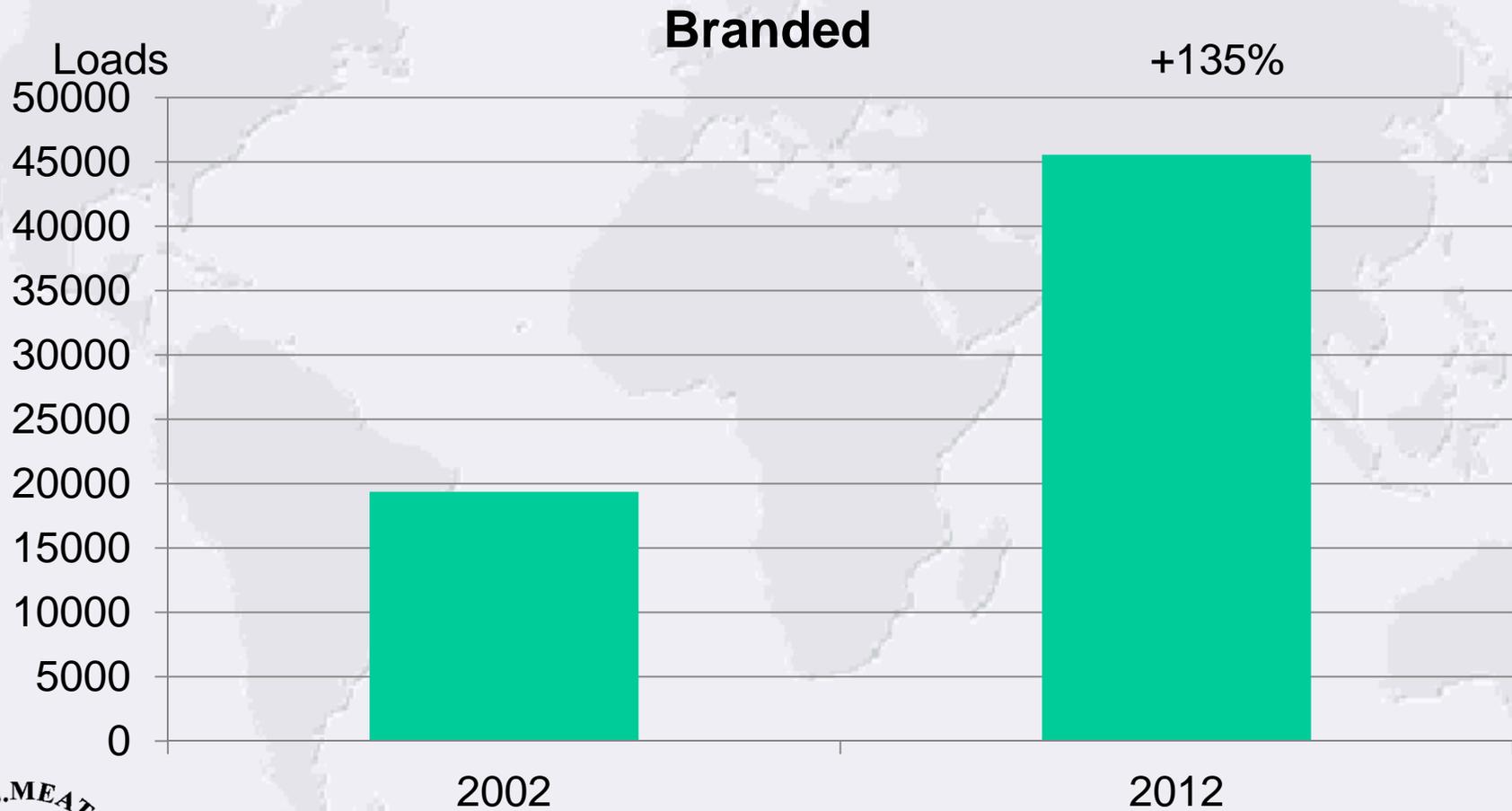


Source: USDA/FAS



2013F compared to 2000:
 Production -9%
 Consumption -7%
 Imports -18%
 Exports -55%

Branded U.S. Beef Sales including natural



Source: USDA/AMS