Global Meat Market
Trade Barriers and Policies

Cheyenne Dixon
Manager, Technical Services

Reciprocal Meat Conference
June 18, 2013
Topics of Discussion

• Export Overview
• U.S. Import Restrictions
• Export Market Restrictions
• Microbial Testing and PRT’s
• High Quality Beef (HQB)
U.S. Red Meat Exports in 2012

- **Beef**
  - Exports accounted for 12.7% of total U.S. beef and variety meat production
  - Export Value = $216.73/fed head

- **Pork**
  - Exports accounted for 27% of total U.S. pork and variety meat production
  - Export Value = $55.87/head

**Total Export Volume: 3,409,142 metric tons**

**Total Export Value: $11.86 billion**
International Beef Primal Cut Utilization

- **35%** Chuck Rolls, Clods (Northern Asia)
- **5-10%** Ribeye (Worldwide)
- **>60%** Short Ribs, Short Plate (Northern Asia)
- **90%** Rib Finger, Skirt Hanging Tenders (Northern Asia)
- **>60%** Goosenecks
- **10-20%** Rounds
- **>60%** Short Loins, Top Butt (Canada, Russia, Mexico)
International Beef Variety Meat Utilization

- >90% Liver, Heart, Kidney
- >90% Tongues
- >75% Stomach, Intestine

- Northern Asia, Mexico
- Russia, Middle East, South America
- Mexico, Southeast Asia
International Pork Primal Cut Utilization

- **25% Butt**
  - Northern Asia

- **35% Picnic**
  - Northern Asia & Mexico, Canada, Russia, South America

- **20% Loin**
  - Northern Asia

- **5% Belly**
  - Northern Asia

- **35% Leg/Ham**
  - Mexico, Canada, Russia, South America
International Pork Variety Meat Utilization

- Snoot, Ears, Feet, Tail: >90% in Northern & Southeast Asia
- Heart, Liver, Kidney: >90% in Mexico & Russia and Northern Asia
- Stomach, Bladder, Uterus: >90% in Northern & Southeast Asia
- Tongue: >90% in Northern Asia
- Brisket bone, other bone by-products: >90% in Northern & Southeast Asia

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U.S. IMPORT RESTRICTIONS
Restrictions on Product Exported to the U.S.

- **BSE**
  - EU
  - Comprehensive BSE Rule

- **FMD**
  - Brazil
  - Argentina
  - China
  - Russia
EXPORT MARKET RESTRICTIONS
Markets Closed Due to BSE Concerns

- Ecuador
- Morocco
- Brazil
- China
- Saudi Arabia
- Kenya
- South Africa
- Australia
Less Than 30 Month (LT30) Only Markets Due to BSE Concerns

- Dominican Republic
- Ukraine
- St. Lucia
- Lebanon
- Mexico
- South Korea
- Japan
- Taiwan
- Vietnam
- Thailand
- Singapore
- Russia (Currently closed)
SRM/Product Restrictions Due to BSE Concerns

- **Hong Kong**: Bone-in for UTM only, no ground
- **Taiwan**: No ground
- **South Korea**: No intestines
- **Thailand**: No ground
- **Indonesia**: No ground
- **Singapore**: No ground
- **Malaysia**: No ground
- **Peru**: Bone-in for UTM only, no ground
- **Colombia**: No ground
- **Russia**: Currently closed

**Controlled Risk**
- **BNLS Only Accepted**
- **OIE SRM Definition for Controlled Risk**
- **Vertebral Column Removal for UTM**
- **No Offals Accepted**
Beta Agonists and Hormones

• Russia
  – No residue allowed in beef or pork
  – Will require FSIS certification

• Taiwan
  – Ractopamine residue allowed in beef up to 10 ppb
  – No residue allowed in pork

• China
  – No residue allowed in pork
  – Discussion point during beef negotiations?

• EU
  – No hormones or beta agonists allowed for use
Animal Health Restrictions

• Trichinae
  – Testing
  – Treatment according to 9 CFR 318.10
• PRRS
  – Heat treatment
  – Sent to further processor
• Pseudorabies
  – Market closure
• Scrapie
  – Market closure
Possible Restrictions in the Future?

• Animal Welfare
  – EU
  – Customs Union

• Environmental/Sustainability

• Private Standards
  – Global Food Safety Initiative (GFSI)
  – Customer specific
  – Animal welfare
Import Microbiological Testing

• Generics serve as a general indicator of bacteria load and suitable process control/cold chain management
  – Generic *E. coli*, APC, coliforms

• Export markets are moving to pathogen specific testing for **raw** products
  – *E. coli* O157, STECs, *Listeria monocytogenes*, *Staphylococcus aureus*

• Pathogen testing based on risk
  – Raw ground, trim, non-intact (injected/tenderized)
Countries with Pathogen Import Standards on Raw Products

- **China**: (E. coli O157, Staph., LM, *Salmonella* spp.)
- **South Korea**: (E. coli O157, LM, *Salmonella* spp.)
- **Singapore**: (STEC, Staph.)
- **USA**: (E. coli O157, STEC)
- **GCC**: (E. coli O157, Staph., LM, *Salmonella* spp.)
- **Russia**: (Staph., LM, *Salmonella* spp.)
- **Japan**: (Staph., *Salmonella* spp.)
- **Australia/New Zealand**: (Staph., *Salmonella* spp.)
- **Vietnam**: (Salmonella spp.)
- **EU**: (Salmonella spp., STEC, ESBL)
- **Egypt**: (Very stringent, but unknown, pathogen and generic standards)
- **China**: (Very stringent, but unknown, pathogen and generic standards)

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Import Testing Actions for Non-Conforming Product

• Varies between countries and organism of concern
  – Product is rejected and/or discarded (i.e. Japan)
  – No action taken, but importer and/or exporter is notified (i.e. South Korea)
  – Enhanced control for next number of shipments (i.e. Russia, EU)
  – Temporary establishment ban for repeat violations (i.e. Russia)
  – Sent back to exporter or sent to another country where limits conform (i.e. GCC)
Pathogen Reduction Technologies (PRT’s)

- FSIS Directive 7120.1 – Safe and Suitable Ingredients Used in the Production of Meat, Poultry, and Egg Products
- EU
  - Lactic acid on beef carcasses
- Singapore
  - Eight approved PRTs
  - No point in process use designation
Microbial Standards and PRT Use

• No established or widely used international standards for raw finished product
  – ICMSF
  – Codex

• Finished product testing reveals potential issues in process control and cold chain management
  – Sampling doesn’t guarantee that remainder of lot is free from certain bacteria

• PRTs used to meet US zero tolerance standards for *E. coli* O157/STECs

• Balance between PRT use and increasingly stringent import standards for raw product?
U.S. High Quality Beef Quotas

- EU
  - Option A
    - Feeding or grading requirement
    - 20% duty
  - Option B
    - Feeding and grading requirement
    - 0 duty
- Russia
  - Similar to EU’s Option A
    - 15% duty

Regulation:
A – EC No 810/2008
B – EC No 481/2012

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