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U.S. and EU reach tentative agreement on beef trade

By Stewart Doan

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The United States and European Union today announced an agreement in principle on a way forward in their long-running dispute over hormone-treated beef.

The tentative deal would provide additional duty-free access to the EU market for beef produced from cattle that have been treated with growth-promoting hormone – 20,000 metric tons (MT) in the first three years and increasing to 45,000 MT beginning in the fourth year, according to the U.S. Trade Representative's office.

Under the agreement, the U.S. will maintain existing trade sanctions and will not impose new sanctions on EU products during the initial three-year period, and will eliminate all sanctions during the fourth year, USTR said, adding the two sides will refrain from further litigation at the World Trade Organization regarding the EU's ban on hormone-treated beef for at least 18 months.

"An agreement is in our mutual interest," USTR Ron Kirk and EU Trade Commissioner Catherine Ashton said in a joint statement. "We will now discuss this with our respective stakeholders and constituencies in an effort to finalize it as soon as possible.

Before the end of the four-year period, they said the two sides would try to conclude a longer-term deal.

The National Cattlemen's Beef Association called the provisional agreement a "meaningful" first step.

"We appreciate the leadership and persistence of Ambassador Kirk and his USTR team in getting this process moving in the right direction after 20 years of unsuccessful efforts," said Gregg Doud, NCBA chief economist. "Once approved, this will be a positive step forward in our goal of expanding U.S. beef market access, but we still have a long way to go before this issue is resolved to our satisfaction."

Under the current tariff-rate quota, the EU allows 11,500 MT of hormone-free beef imports each year from the U.S.

The EU has cited the use of growth-promoting hormones in U.S. cattle as the reason for imposing a trade barrier on U.S. beef for the past 20 years ago—despite the fact that these growth promotants have all been scientifically proven safe through rigorous Food and Drug Administration (FDA) testing.

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