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World Headquarters:
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303/623-MEAT (6328)
Fax 303/623-0297

June 7, 2011

Secretary Tom Vilsack
U.S. Department of Agriculture
1400 Independence Ave, SW
Washington; D.C. 20250

Dear Mr. Secretary:

On behalf of U.S. cattle producers, beef packers, and exporters, we are writing to ask that you take the steps necessary to ensure that the U.S. beef industry will be in a position to benefit from future expanded access to the beef market in the European Union.

Just over two years ago, the United States and the EU signed a memorandum of understanding on beef trade. Under the terms of the MOU, the EU agreed to open a 20,000 MT duty-free quota for high quality beef imports. This marked the first time the EU had ever created an opportunity for high quality beef to enter the European market on a duty-free basis. Since the quota was opened in August 2009, EU imports of U.S. high quality beef have increased more than 150 percent from 6,374 MT worth \$59.8 million in the 2008 quota year to an estimated 16,000 MT worth around \$163 million this year.

The MOU signed in 2009 also provided for a second phase during which the duty-free quota would increase to 45,000 MT. Although not explicitly stated in the MOU, both parties to the agreement understood that the United States would not support moving to the second phase unless the EU approved carcass washes that are used as pathogen reduction treatments (PRTs) in all U.S. beef slaughter facilities.

USDA has submitted an application to the EU for approval of lactic acid as a carcass wash in beef slaughter facilities, and we understand that the EU is conducting a risk assessment prior to deciding whether to move forward with its approval process. According to our information, there is a growing body of support in the EU for the use of PRTs, and we are guardedly optimistic that lactic acid will be approved for use as a carcass wash before the end of the first phase of the MOU.

However, it has come to our attention that certain EU member states are linking their support for the approval of lactic acid to the publication by USDA of its comprehensive BSE rule. Currently, the United States applies BSE-related import restrictions to beef imports from the EU, notwithstanding the fact that most of the countries in the EU have been given the same BSE risk classification as the United States by the World Organization for Animal Health (OIE). As we understand it, implementation of the comprehensive rule would give USDA the



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legal authority to base its decisions on whether to open the U.S. market to beef imports from other countries on the international guidelines established by the OIE.

As you know, we continue to face BSE-related barriers to U.S. beef exports in a number of countries around the world. Implementation of the comprehensive rule would not only permit USDA to respond to those countries in the EU that are interested in exporting beef and veal to the United States, but in our view it should also put the U.S. government in a stronger position to press other countries to follow the OIE's guidelines and adopt science-based BSE import policies. For both of these reasons, we urge you to move forward with the publication of the comprehensive BSE rule at the earliest opportunity.

Thank you for your attention to this matter, and please do not hesitate to contact us if you have any questions about the beef industry's position on this issue.

Sincerely,

Forrest Roberts
CEO
National Cattlemen's Beef Association

Barry Carpenter
CEO
National Meat Association

cc: Ambassador Ron Kirk

J. Patrick Boyle
President & CEO
American Meat Institute

Philip M. Seng
President & CEO
U.S. Meat Export Federation