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Ambassador Jamieson Greer
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Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

December 1, 2025

Re: Docket Nos. USTR-2025-0007, USTR-2025-0020

USMEF Comments on USTR's Initiation of Section 301 Investigation: China's Implementation of Commitments under the Phase One Agreement

The U.S. Meat Export Federation (USMEF) appreciates the opportunity to submit comments concerning China's Phase One Agreement commitments and its violation of those commitments, particularly regarding U.S. beef. USMEF is a non-profit trade association that represents the export interests of the U.S. beef, pork and lamb industries through its network of offices and representatives in foreign markets. USMEF's membership includes a broad cross-section of American agriculture: farmers, meat packers, processors, purveyors and traders, agribusinesses with an interest in U.S. meat exports and other agricultural organizations. USMEF works closely with USTR and with the United States Department of Agriculture (USDA) and is a long-standing partner of the USDA Foreign Agricultural Service through the Foreign Market Development Program and Market Access Program.

The U.S. beef industry was the big winner out of President Trump's Phase One Agreement with China. Now the China market is closed to U.S. beef, as China has violated its commitments under the Agreement. USMEF estimates that the lost value per head of fed cattle produced in the U.S. is \$150 to \$165 per head, reflecting the lost China "bid" and the actual drop in exports (exports have declined by about \$980 million and 109,000 metric tons for April through November 2025, compared to year-earlier). On annual slaughter of 25 million head of fed cattle, the industry losses will total \$3.7 billion to \$4.125 billion.

The American jobs equivalent of the \$1.6 billion worth of beef exports to China exceeds 14,000. Total beef exports (\$10.455 billion) support nearly 92,000 jobs, based USDA/ERS Ag Trade Multipliers.

Prior to the Phase One, the China market had only re-opened in mid-2017 to a limited volume of U.S. beef, essentially allowing only beef from the costly Non-Hormone Treated Cattle, or NHTC program. Exports to China in 2019 were valued at just \$86 million and following the Phase One, they peaked at \$2.14 billion in 2022. Through the Phase One Agreement, China committed to and followed through with removing the traceability requirements, accepting beef from cattle of all ages and essentially all products, adopting the Codex MRLs for synthetic growth promoting hormones: zeranol, trenbolone acetate, and melangesterol acetate. China also agreed to conduct a risk assessment for ractopamine in cattle and swine.

Through China's commitments to a true market opening, the U.S. was able to remove export restrictions with the industry understanding that China was maintaining a zero tolerance for ractopamine in the interim, while carrying out its commitment to conduct a risk assessment.

As China moved closer to international standards and science-based requirements, China became a leading market for U.S. beef exports, and ranked third in 2024.

Critically, China also agreed to recognize FSIS as the competent authority, accepting the establishment lists put forward by FSIS, with GACC adding these facilities to its CIPHER system within 20 working days of receipt. Although not perfect, the agreement in effect removed the U.S. from China's Decree 248 and onerous plant by plant registration requirements. But China has at various times stopped abiding by its commitments, not updating its facility list with those details provided by FSIS. For beef, China stopped updating facility details in the CIPHER system in 2024, and the situation has worsened in 2025.

Another function of China's CIPHER is the 5-year expiration of listed facilities. Again, through the Phase One Agreement, the situation operates differently for U.S. red meat facilities. Up until late February 2025, the expirations were updated by GACC after receiving notice from FSIS that facilities were soon expiring. This was a paperwork exercise only; until GACC changed course. In blatant violation of the Phase One Agreement, China stopped renewing U.S. beef facilities starting on February 19th and has let facilities expire ever since. On March 16, 2025, the majority of U.S. beef packer's facility registrations expired and they were no longer eligible to ship to China.

Another blatant violation of the Phase One Agreement is China's suspension of beef facilities following the first violation, and without engagement prior to suspension. Once facilities are suspended, they are out of the China market indefinitely. There is no path to relisting. In 2022, five beef facilities were suspended, without prior engagement, and FSIS submitted corrective actions to GACC, but these facilities remain ineligible. In 2024, nine facilities were suspended, again with no prior engagement and no path to relisting; these suspensions included beef packers and cold storages, thus impacting exports of pork and poultry as well as beef. In 2025, 19 beef facilities have been suspended, also with no engagement prior to delisting, and with no path to relisting. Even if GACC updated the expired facilities in the CIPHER system, many of the most important beef production plants would remain ineligible for export to China.

The U.S. beef industry needs a full market reopening, including China's return to the commitments it made in the Phase One Agreement.

Necessary for a China market reopening for U.S. beef are ALL of these factors at a minimum, in combination with China's return to the Phase One Agreement commitments:

1. Update the expired facilities in the China Import Food Enterprises Registration (CIPHER) system. The vast majority of production expired on March 16, 2025 and additional facilities have expired in the following months, leaving virtually no production eligible by October, especially when combined with the suspensions.
2. Relist the suspended facilities – GACC has suspended 19 plants in June-November 2025, bringing the total beef suspensions to 33 since 2022.
3. Use fat as the target tissue for MGA, apply Codex MRL of 18 ppb.
4. If China maintains its zero tolerance for ractopamine, China agrees to suspend the exporter/trader in case of repeat violations, rather than the primary producing facility (packer).
 - a. Phase One language: *If China determines that there is a significant, sustained or recurring pattern of non-conformity with an applicable food safety measure by a particular facility, China may refuse to accept shipments from that facility until they exchange information on their meat and poultry food safety regulatory systems and other public-health matters.*

5. Agrees to a timely relisting process for resuming export eligibility for suspended facilities after they provide corrective actions to FSIS.

China provided a critical competing bid as a major customer for U.S. beef short plate, short rib, chuck short rib, rib finger and many other products **not typically consumed by Americans**. Without the China market, the value of each of these products - from every animal - declines because a major customer has been removed and this forces additional product into the other export markets, with fewer buying customers. Importantly, China does not make U.S. beef more expensive for Americans, but it does contribute to industry profitability through carcass value maximization and is therefore a key driver to the herd rebuild. The loss of the China market is not simply the loss of exports worth \$1.6 billion in 2024, but lost value on each animal for those items bought or bid for by China.

U.S. beef has been on China's tariff retaliation lists, increasing the tariff from 12% (MFN) to 147% effective April 10th (12% MFN + 10% Opioid + 125% retaliatory), until the Geneva Joint Statement was reached, reducing tariffs back to 32% effective May 14th. The Section 301 retaliation on U.S. beef (additional 30%) has been temporarily waived since March 2020, and those waivers were set to expire on October 30th. The latest agreement included an extension of the Section 301 exclusions to December 31, 2026. China also removed the 10% fentanyl retaliation, effective November 10th, putting the total tariff on U.S. beef at 22% (still including 10% reciprocal).

The U.S. pork industry continues to benefit from the Phase One Agreement.

China is the third largest market for U.S. pork and variety meats, with 2024 exports valued at \$1.11 billion. Importantly China is the top market for U.S. pork variety meats, and there is no alternative market able to take the volume of variety meats at the price that China pays. Without the China market, the U.S. pork industry will be forced to render or even landfill items and the per head loss is estimated in the range of \$8 to \$10 for every hog in the U.S. With annual hog slaughter of 130 million head, the industry losses would be in the range of \$1.04 billion to \$1.3 billion.

The American job equivalent of the \$1.11 billion worth of pork exports to China is close to 7,000. Total U.S. pork exports (\$8.6 billion) support more than 57,000 jobs based on USDA/ERS data.

The U.S. pork industry has also benefited from China's commitments in the Phase One Agreement-especially in the recognition of FSIS as the competent authority, enabling essentially all FSIS inspected facilities to be eligible for export to China; and the eligibility for the vast majority of pork products. Unlike the situation for beef, China has updated the pork facilities in the CIFER. But China has not always updated facilities within the timeline it has committed to in the Phase One. China also maintains a complicated process for importing further processed pork products, although demand has been weak, so the system has likely not recently been tested. China has also failed to conduct its ractopamine risk assessment. U.S. pork exports to China are produced under a ractopamine control program, adding costs related to testing and segregation.

Similar to beef, if pork facilities are suspended, there is no path to relisting. One pork plant has been suspended since 2022 and several cold storages were suspended in 2024, reportedly due to beef issues but impacting exports of all species.

China is the dominant market for the industry's production of variety meats - front feet, hind feet, picnic hocks, head items (tongues, ears, snouts), stomachs and intestines. China takes over 90% of all U.S. frozen pork feet exports, 74% of frozen tongues and 51% of guts/bladders/stomachs. There are challenges with rendering these products. If all packers were forced to render, the rendering value will diminish, and the third-party renderers might not be able to accommodate all the additional product outside of the

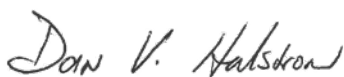
slaughter facilities' own rendering operations. In this case, packers will have to pay to send product to the landfill; they would be forced to cut kills and hog prices would fall.

Due to the weakness in the China market, which is driven by large domestic pork production and the sluggish economy, and to the fact that U.S. pork and variety meats have been subject to China's 25% retaliation on Section 232 metal tariffs since 2018, packers have already been rendering neckbones and some other products. U.S. pork and variety meats were subject to a tariff of 172% (12% MFN + 25% Section 232 retaliation + 10% Opioid tariff retaliation + 125% reciprocal retaliation = 172%) prior to the Geneva Joint Statement, under which tariffs reduced to 57% effective May 14. The tariff disadvantage has limited U.S. pork export value to China for the past seven years. The tariffs were trade prohibitive for about a month, but trade resumed at the 57% rate, a sign of both the reliance on China for these items, and China's demand for them. The uncertainty of another tariff escalation on November 10th also limited the export opportunity and profitability. Section 301 waivers were set to expire on October 30th, adding another 30%, for a tariff of 87%. But the latest agreement included an extension of these exclusions to December 31, 2026; and also eliminated the 10% retaliation due to fentanyl tariffs, making the effective rate 47% as of November 10th (still including 25% Section 232 and 10% reciprocal retaliation). In short, tariffs today are higher than they were at the start of the year, with volatility and uncertainty throughout the year. And U.S. pork has been penalized by the extra 25% Section 232 retaliatory tariff since 2018.

China's trade restrictions are also shrinking the global market for pork variety meats. China is the dominant global importer of pork variety meats, accounting for 60% of EU exports and 53% of U.S. pork variety meat exports (down from 66% of U.S. exports in 2023). China imposed antidumping duties on EU pork in September, or additional tariffs of 15%-62% and they imposed an additional 25% on Canadian pork earlier this year. Thus, all main suppliers except Brazil are paying higher duties into China. This means greater competition in the rest of the world as all exporters seek customers outside the China market.

In summary, through the Phase One Agreement, China substantially simplified its establishment registration process. However, China still requires all U.S. establishments to be on its approved plant list (the CIPHER) prior to exporting, and the update process has been inconsistent and non-transparent, and out of alignment with China's Phase One Agreement commitments, especially over the past two years. Alarmingly, China allowed almost all U.S. beef establishments to expire in its CIPHER system from February - October 2025. The 5-year expiration is not technically supposed to apply to U.S. facilities, and they are still recognized as eligible to export by FSIS. In the past, the 5-year updates have been a somewhat automatic process by China's GACC, and GACC continued to update the pork and poultry facilities this year. But the lack of updates effectively closed the China market to U.S. beef. China's suspension of facilities upon first detection/issue and without prior engagement, and especially for compounds for which Codex has adopted MRLs, is in direct violation of its Phase One commitments. China has not conducted a risk assessment for ractopamine. Additionally, China did not meet its purchase commitments. China has violated numerous aspects of the Phase One Agreement, but the agreement remains critical for U.S. red meat and therefore China must return to its commitments and accordingly reopen its market to U.S. beef.

Sincerely,



Dan V. Halstrom President and CEO
U.S Meat Export Federation