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November 6, 2020

Secretary, U.S. International Trade Commission
500 E Street SW
Washington, DC 20436

[Investigation No. TPA–105–008]

Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2021 Update

Dear Secretary Barton,

The U.S. Meat Export Federation (USMEF) appreciates the opportunity to submit comments on Investigation No. TPA–105–008 concerning the economic impact of trade agreements implemented under trade promotion authority (TPA) procedures. 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. In addition, USMEF works closely with the United States Department of Agriculture (USDA) and is a long-standing partner of the Foreign Agricultural Service (FAS) through the Market Access and Foreign Market Development programs.

The U.S. red meat industry has benefited greatly from the free trade agreements (FTAs) implemented under TPA over the past decades, as well as the tariff reductions and science-based trading rules established in the Uruguay Round WTO Agreement. Expanded market access through the tariff reductions and science-based trade parameters have helped underpin demand for high-quality U.S. red meat in a wide range of countries. The United States' FTA partner countries accounted for a low of 30% of U.S. exports in 1995-1996 and grew to a high of 58% in 2018. The share eased to 54% in 2019, mainly reflecting growth in U.S. pork exports to China, largely to help offset China's supply deficit resulting from African Swine Fever (ASF). Growth in U.S. red meat exports to FTA countries has included growing per capita consumption in the import markets and growing U.S. market share.

The reduction and elimination of import duties, quotas and safeguards and continuous improvement in other areas, including sanitary and phytosanitary (SPS) standards, have helped pave the way for U.S. export growth. U.S. beef and pork exports to FTA countries increased by 404% comparing 2019 (2.14 million mt) to the 1994-96 average, while total exports to all markets increased by 219% (3.99 million mt). On a value basis, exports to FTA countries increased by 617% comparing 2019 ($7.5 billion) to the 1994-96 average of $1.046 billion. While total exports to all markets increased by 284% on value basis, to more than $15 billion. This trend is also reflected in more recent growth comparisons. 2019 exports to FTA countries were 45% larger than 2010 export volumes (and 76% larger in value); the growth to all markets was 34% in volume and 70% in value (see Chart 1). The growth to FTA countries has outpaced the global total. Table 1 below summarizes the growth in U.S. beef and pork exports to the major FTA countries and further FTA-specific analysis follows.

Red meat exports are critical to the profitability of the U.S. red meat industry. Exports enable maximization of the value of every part of the animal, by selling into markets with different consumer tastes, preferences, and differing seasonal demands for certain items; as well as enabling the U.S. industry to help to offset cyclical and other production related challenges around the world, like ASF or drought, which create short-run supply imbalances. U.S. beef and pork production has grown from an average of 19.47 million mt in 1994-96 to 24.93 million mt in 2019, an increase of 28% and is expected to set further records in 2020 and in 2021, reaching 25.4 million mt. Exports have grown from 4% of pork production and 7% of beef production in 1994-96 to nearly 24% of pork and more than 11% of beef production, respectively in 2019. For Jan-Sept 2020, 27% of pork and 11% of beef production was exported, despite COVID-19 related challenges. These export shares are for muscle cuts only and do not include variety meats, of which the majority of edible production goes to the international markets, adding critical value to each animal harvested. Beef and beef variety meat exports to FTA partners in 2019 averaged $149 for each steer and heifer harvested (total exports to all markets averaged $309.75 per head). Pork and pork variety meat exports to FTA partners in 2019 averaged $27.76 for each hog harvested (total exports to all markets averaged $53.51 per head).

Looking forward, USMEF is optimistic that further FTAs can be implemented, including those currently being negotiated with the United Kingdom and Kenya. As we stated in our comments on the negotiating objectives for these agreements, we are hopeful that tariffs and quotas can be phased out and SPS and other non-tariff trade barriers reduced in future FTAs, as has been the case in the past.

Table 1

	NAFTA/ USMCA	Australia	Korea	Chile	Colombia	CAFTA/DR	Panama	Peru
Implementation Year	1994	2005	2012	2004	2012	2006 - 2009	2012	2009
U.S. Pork Exports Implementation Year	144,262 mt	21,248 mt	150,449 mt	68 mt	19,755 mt	23,396 mt	8,423 mt	519 mt
U.S. Pork Exports 2019	922,836 mt	105,247 mt	207,650 mt	42,951 mt	99,869 mt	111,778 mt	19,599 mt	7,018 mt
Percent Growth	540%	395%	38%	63,063%	406%	378%	133%	1,252%
U.S. Beef Exports Implementation Year	226,270 mt	*	125,614 mt	58 mt	917 mt	6,485 mt	906 mt	4,659 mt
U.S. Beef Exports 2019	336,540 mt	*	255,758 mt	11,378 mt	6,724 mt	20,894 mt	2,278 mt	7,501 mt
Percent Growth	49%	*	104%	19,517%	633%	+222%	151%	61%

*U.S. chilled/frozen beef is still not eligible for export to Australia, as explained in our separate Australia analysis.

Chart 1

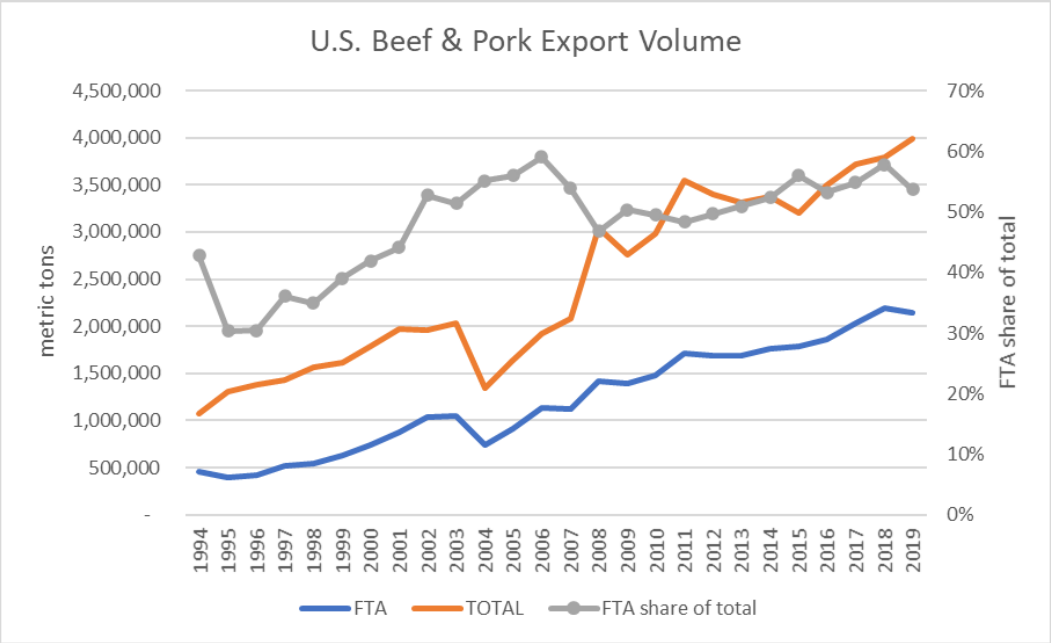


Chart 2

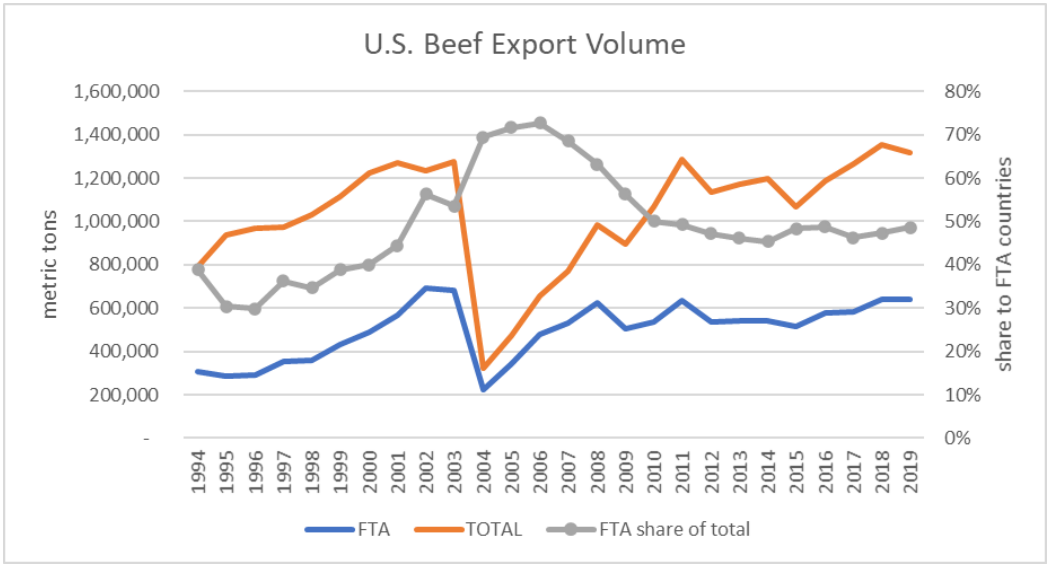


Chart 2 shows the strong reliance on NAFTA partners (Mexico and Canada) after the finding of BSE in December 2003. Mexico and Canada were some of the first trading partners to reopen to U.S. beef and as the U.S. regained access to other markets, their share of imports normalized. But FTA countries still accounted for 49% of export volume in 2019, up from 30% in 1995-96. Korea has emerged as the second-largest market for U.S. beef, after Japan, and exports more than doubled from 125,600 mt in 2012 to 256,000 mt in 2019, with value increasing by 216% to $1.8 billion.

Chart 3

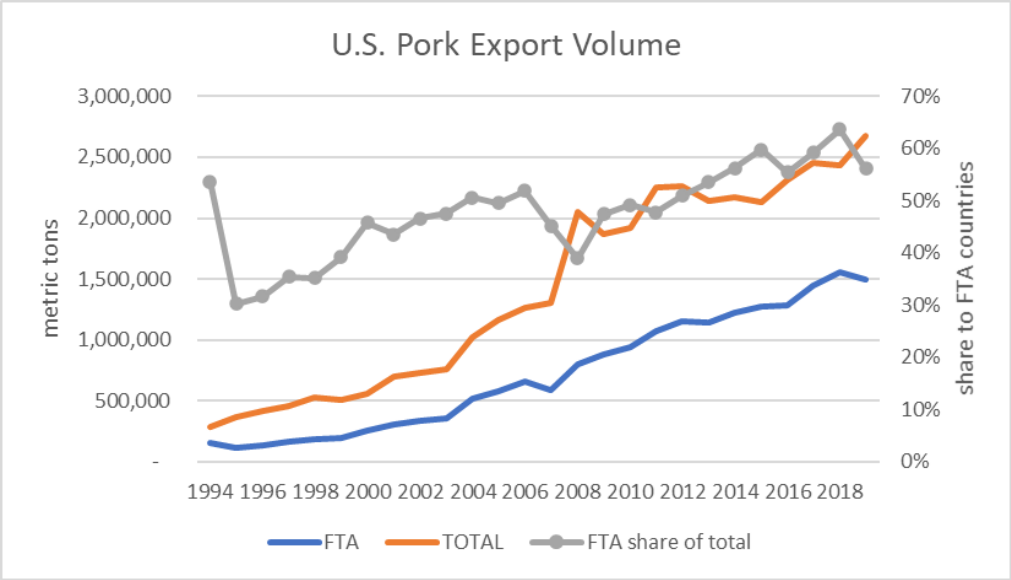


Chart 3 shows the strong growth in U.S. pork exports to FTA countries, increasing from 31% of U.S. exports in 1995-96 to 64% in 2018 before easing to 56% in 2019, with the growth in U.S. exports to China. U.S. exports to FTA countries increased by 1143% or from 120,000 mt in 1995-96 to 1.5 million mt in 2019. Total exports to all countries increased by 587% or from 389,000 mt in 1995-96 to 2.67 million mt in 2019.

Again, thank you for the opportunity to comment on the benefits of TPA-approved free trade agreements for the U.S. red meat industry. USMEF remains optimistic that future FTAs will continue to eliminate trade barriers and facilitate new opportunities, benefitting the entire U.S. production, processing and exporting chain; as well as consumers in international markets. If there are any questions related to our submission, or if further information is needed, please do not hesitate to contact us.

Sincerely,

Dan V. Halstrom

Dan V. Halstrom
President and CEO

Further details on the growth in U.S. red meat exports are included below for:

NAFTA & USMCA (page 5)

Korea-U.S. (KORUS) FTA (page 9)

U.S.-Australia FTA (page 11)

CAFTA-DR & Panama FTA (page 12)

U.S.-Colombia FTA (page 14)

U.S.-Chile FTA (page 15)

U.S.-Peru FTA (page 16)

U.S.-Singapore FTA (page 17)

U.S.-Morocco FTA (page 18)

As well as U.S. beef exports to Bahrain, Israel, Jordan and Oman (page 18)

NAFTA & USMCA

The U.S. beef and pork industries have benefited greatly from the North American Free Trade Agreement (NAFTA) and the integration it brought to the beef and pork industries across the three countries.

U.S. beef and pork producers benefit from essentially unfettered access to two of our leading markets in Mexico and Canada, which together took $4 billion, or 30%, of U.S. red meat exports in 2017. Despite the retaliatory tariffs (more below), Mexico and Canada still accounted for 26% of U.S. red meat exports in 2018, valued at $3.9 billion; and 26% in 2019, valued at $3.86 billion. Even with the strong growth in U.S. pork to China, Mexico and Canada still accounted for 22% of U.S. red meat export value through July 2020, or nearly $2 billion.

Exports of U.S. pork to Mexico totaled more than 800,000 mt in 2017 and had set consecutive records for six years due to Mexico's growing consumption. Retaliatory tariffs slowed exports in 2018 to 777,140 mt, but Mexico remained the largest international volume destination for U.S. pork. Hit by the 20% tariffs, export value to Mexico dropped by 13% to $1.3 billion. Mexico accounted for $12.48 for each hog processed in the U.S. in 2017 and $10.53 in 2018. Retaliatory tariffs were lifted in late May 2019 and export value rebounded in the following months. For 2019, exports to Mexico averaged $9.84 per hog harvested in the U.S. Through July 2020, exports to Mexico averaged $8.33 per head.

2019 exports of U.S. pork to Canada totaled 215,000 mt, valued at $802 million, with volume up 4% and value up 5% from 2018; Canada was the fourth-largest market. On a per head basis, exports to Canada averaged $6.17.

Canada is also the top market for U.S. processed (value-added) meat exports, with 2019 export value exceeding $600 million, followed by Mexico for which exports were $260 million and together accounted for 61.5% of total U.S. processed meat exports of $1.4 billion. U.S. exports of processed meat have slowed in 2020, due to COVID-19, but Canada and Mexico remain the top destinations, down 13% and 10% from the 2019 Jan-July pace, respectively.

2019 exports of U.S. beef to Mexico totaled $1.1 billion, up 5% with relatively steady volume of 237,000 mt. Mexico is the top volume market for U.S. beef variety meat exports and overall 3rd largest beef and beef variety meat export market, after Japan and Korea. Beef and beef variety meat exports to Mexico averaged $42.37 for each fed head produced in 2019. Of that total, variety meats equated to $10.60 per head, of which tripe was $4.28 per head. U.S. beef exports to Mexico in 2020 have been significantly complicated by COVID-19 and the related impacts on U.S. retail demand and thus prices for end meats, the U.S. supply chain challenges in April-May, the devaluation of the Mexican peso, and the significant contraction in Mexico's economy. Exports to Mexico have been rebounding from the May lows and there is optimism for the future, and still potential to grow Mexico's beef consumption as incomes recover and grow.

2018 exports of U.S. beef to Canada totaled $745 million, with volume down slightly at 114,000 mt. On a per fed head basis, exports to Canada were $28.88. 2019 exports slowed further, to $654 million with volume of 100,000 mt and partly due to larger production in Canada. Exports to Canada averaged $25.05 per fed head of slaughter and Canada held as the 5th largest market. Through July 2020, exports are rebounding and were up 13% in volume and 14% in value, averaging $30.32 per fed head.

The U.S. imported 1.27 million head of feeder cattle from Mexico in 2018 and 650,000 head from Canada. Together imports of Mexican and Canadian cattle accounted for about 6% U.S. slaughter. 2019 U.S. imports of Canadian cattle were 746,000 head and from Mexico 1.32 million head. Through July 2020, U.S. imports of Canadian cattle were down 9% to 431,000 head but from Mexico were up 8% to 860,000 head, accounting for roughly 7% of slaughter.

The U.S. has also exported more cattle to Canada, gaining momentum in 2017 when they reached 145,400 head, then 197,600 head in 2018 and 275,000 head in 2019. The U.S. had been exporting mostly breeding animals to Canada, averaging about 37,000 head in 2015 and 2106 but the growth in recent years has been in feeder and slaughter cattle. Through July 2020 the growth trend continued and exports to Canada were up 12% to 122,630 head. Tight slaughter capacity in the U.S. has contrasted with a shrinking breeding herd in Canada and thus the need for feedlots and plants to rely on imported cattle to maximize their capacity. Two-way trade continues, with the U.S. still importing Canadian fed and feeder cattle, as well as slaughter cows and bulls, partly depending on regional needs, seasonal pricing, exchange rates and other factors.

U.S. imports of Canadian hogs totaled 5.25 million head and accounted for 4% of U.S. 2018 slaughter. 2019 imports of 5.1 million head also accounted for 4% of slaughter. Through July 2020, imports of 2.955 million head still accounted for 4% of U.S. hog slaughter.

The three-way trade makes our industry stronger and more efficient while also benefitting consumers. North American market integration enables U.S. producers to focus on their comparative advantages and compete globally.

U.S. exports to Canada and Mexico also benefit from proximity and the unique ability to ship combo bins of chilled cuts, particularly into Mexico's processing industry. This is especially important for products like bone-in hams. With our labor shortage, it is critical that we can export these large volumes of bone-in hams to Mexico's processing industry. And Mexico's growing meat consumption means they have continued demand for U.S. red meat, even with growth in Mexican pork and beef production.

Canada and Mexico also have relatively large numbers of high-income households and therefore lots of customers for U.S. red meat. Both countries have roughly 12 million households with incomes of more than $25,000 and that number is expected to grow to 13.6 mil by 2023 in Mexico and to 13.1 million in

Canada. U.S. pork has benefited as an affordable, high quality protein and ingredient in the growing Mexican market and is accessible to the wider population.

Mexico's beef consumption per capita is relatively low at less than 11 kg per person, compared to about 30 kg in the U.S. As consumer's incomes grow, there is great potential to increase U.S. beef exports to Mexico.

The USMCA maintains the market access benefits of NAFTA for the red meat industry, while achieving additional trade-facilitating mechanisms such as the enhanced sanitary and phytosanitary (SPS) chapter. Timely implementation of the USMCA was critical for ensuring uninterrupted trade with two of our top trading partners.

Fortunately agreement was reached on steel and aluminum trade with Canada and Mexico, which meant the lifting of 20% retaliatory tariffs on U.S. pork to Mexico and 10% on processed U.S. beef to Canada effective May 20th. The return to duty-free trade was critical for the U.S. red meat industry and implementation of USMCA has facilitated continued market integration.

In 1993, U.S. exports of beef to Mexico and Canada were just $525 million; value had doubled by 2001 and reached $2 billion by 2011, and then averaged $1.8 billion annually for the past 5 years (2015-2019).

In 1993, U.S. exports of pork to Mexico and Canada were just $150 million and reached $500 million by 2003 and $1 billion by 2008, doubling to $2 billion by 2013 and averaged $2.13 billion for the past 5 years (2015-2019).

Mexico's per capita pork consumption has grown from just over 9 kg in 2000 to 12.9 kg in 2018 before easing somewhat in 2019 and 2020 due to the retaliatory tariffs on U.S. pork (up to late May 2019) and COVID-19 in 2020. 2020 per capita consumption is estimated at just under 12 kg.

U.S. pork accounts for 89% of Mexico's imports and 38% of consumption (estimated for 2020). U.S. share of consumption peaked at 43% in 2017, prior to the retaliatory duties, and had grown from just 19% in 2007.

Mexico's per capita beef consumption has declined to just over 10 kg estimated for 2020, as already price sensitive consumers traded down to poultry and pork or other affordable protein sources, especially with the impact of the peso devaluation and COVID-19 lockdowns. The loss of travel and tourism also impacted the beleaguered foodservice industry, and with it the demand for beef. Mexico's per capita beef consumption was estimated at more than 16 kg as recently as 2003, but averaged 10.6 kg over the past 5 years (2015-2019).

U.S. beef accounts for 73% of Mexico's imports and at least 6% of consumption (estimated for 2020). U.S. beef accounted for as much as 17% of Mexico's consumption in 2006-2008 but averaged 8% over the past five years. U.S. beef has lost import market share to Nicaragua in the past 5 years and especially in 2020. U.S. share of Mexico's beef imports was 90% in 2013 but slid to average 80% over the past five years before decreasing further in 2020. Part of the challenge has been strong demand for end meats in the U.S., due to demand for ground beef and further impacted by COVID-related supply disruptions and increased retail demand. These and other factors have contributed to strong U.S. prices for round and chuck cuts preferred by Mexico's consumers and overlaid with Mexico's economic challenges have led to smaller U.S. beef exports to Mexico.

Canada's per capita pork consumption is estimated at close to 18 kg in 2019 and has been relatively steady over the past decade, averaging 18.5 kg from 2009 through 2019. Similar to the U.S., Canada's

"consumption" partly reflects the supply situation and in 2020 is being impacted by Canada's strong export growth (up by 20% through July) which is partly offsetting production and import growth. Thus Canada's per capita pork consumption is expected to be lower in 2020, with the U.S. accounting for a larger share.

U.S. pork accounted for 87% of Canada's imports and 25% of consumption on average over the past five years (2015-2019) and is accounting for 88% of imports and possibly more than 30% of consumption in 2020.

Canada's per capita beef consumption averaged 18.7 kg over the past 5 years (2015-2019) and is lower than the 20-22 kg range seen in 2006 to 2013, for example. But again like the U.S. consumption partly reflects the supply situation and Canada's beef production has declined, with beef import growth not fully offsetting.

U.S. beef accounted for 61% of Canada's imports and 15% of consumption on average over the past 5 years. U.S. share of imports in 2020 has slid to 55% even as Canada's imports from the U.S. were up 12% as Canada is also buying more from New Zealand, Uruguay, Mexico and the EU.

**Per capita consumption and U.S. shares are in product weight, excluding variety meats*

Korea-U.S. FTA (KORUS)

The FTA between the U.S. and Korea, implemented in 2012, has fueled large growth in Korea's consumption of beef and pork, with the phase out of duties on all products allowing a wider range of cuts and products to be exported from the U.S. to Korea at more affordable prices to Korean consumers.

U.S. exports of beef and pork to Korea in 2012 exceeded $1 billion, with volume of 276,000 mt. This included 126,000 mt valued at $582 million for beef and 150,000 mt, valued at $421 million for pork. That year duties were notched down, from 40% for beef, to 37.3% and from 25% on most pork to 16.7%.

Value grew to exceed $2.4 billion in both 2018 and 2019, with volume of 482,000 mt and 463,000 mt in 2018 and 2019 respectively. 2019 included beef valued at a record $1.84 billion, and 255,800 mt. Pork exports to Korea in 2019 were valued at $593 million on volume of 207,650 mt, just shy of the $670 million record set in 2018.

U.S. beef exports to Korea averaged $70.52 for every fed head slaughtered in 2019, as the second largest market for U.S. beef, after Japan.

U.S. pork exports to Korea averaged $4.56 for each head harvested in 2019. Korea was the 5th largest market.

As duties on U.S. pork were mostly phased out by 2016 and all eliminated by 2021. Duties on U.S. beef have notched down to 16% in 2020 and will be to zero by 2026. It is also noteworthy that KORUS was implemented ahead of most competitor's trade agreements with Korea, so the U.S. had a head start on tariff reductions and still maintains a tariff advantage on beef (for example, Australia pays 21.3% in 2020 and has a somewhat restrictive import safeguard as well).

Korea's per capita consumption of beef increased from 10 kg in 2012 to 13.3 kg in 2019. It is estimated to ease somewhat in 2020, due to the COVID-19 impacts on foodservice demand, as well as production in major exporting countries, including the U.S.

U.S. share of Korea's beef imports grew from 36% in 2012 to 53% in 2019 and is estimated at 59% in 2020. Korea is a dominant market for U.S. short ribs, but the U.S. has also been exporting more cuts in the short plate/brisket, chuck roll and shoulder clod categories.

U.S. beef accounted for 19% of Korea's consumption in 2012 and 34% in 2019; estimated at 36% in 2020.

At the same time, Korea's beef production has cycled from a recent peak of 260,000 mt in 2013-2014 to nearly that amount again in 2020. Korea's domestic beef is estimated to account for 39% of 2020 consumption, compared to 36% in 2012 and 40% in 2013-2014. Thus Korea's beef production and domestic consumption have remained relatively strong even with the phase-out of import duties.

Korea's per capita consumption of pork increased from 22.6 kg in 2012 to more than 29 kg in 2018 and 2019. Again 2020 consumption is expected to slow due to COVID-19 impacts on foodservice demand.

U.S. share of Korea's imports grew from 32% in 2012 to an estimated 39% in 2020, although market share for the past 5 years averaged 32% (2015-2019) on strong competition from the EU, which mainly supplies single-ribbed bellies while the U.S. supplies picnics and butts.

U.S. pork accounted for 11% of consumption in 2012 and 12% on average over the past 5 years (accounting for 13% in 2018 and 2019).

Korea's pork production rebounded strongly from its 2011 (FMD) low of 574,000 mt (compared to 761,000 mt in 2010) to 970,000 mt in 2019 and has continued to increase in 2020. Despite eliminating tariffs on imports of most products from most suppliers, through its various FTAs, Korea's domestic pork accounted for an estimated 64% of consumption in 2019 and is estimated at close to 69% in 2020, compared to 66% in 2012.

Korea has about 15.6 million households with income of more than $25,000 per year and those higher-income households are expected to expand to 16.7 million in 2024. (Euromonitor International)

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

U.S.- Australia FTA

The U.S.-Australia FTA was implemented at the start of 2005 and has arguably contributed to further collaboration between the two countries but Australia's duties on pork and beef were already zero, with the exception of some processed pork products which had a 5% duty that was phased out.

The lingering frustrations with Australian market access include still no access for chilled/frozen U.S. beef (see separate USMEF analysis) and continued limitations on imports of U.S. pork, basically meaning product must be destined for further processing on arrival.

U.S. exports of pork to Australia have grown dramatically, from $10.6 million in 2004 to $60 million in 2005; exceeded $200 million in 2011, and topped $300 million in 2019. Volume increased from just 3,400 mt in 2004 to 21,000 mt in 2005, to 64,000 mt in 2011, and to more than 105,000 mt in 2019.

Australia's per capita pork consumption has grown from 16 kg in 2006 to 19 kg in 2019 and recently surpassed Australia's beef consumption, partly due to pork being relatively more affordable and partly due to growing international components of the population, including strong Asian influence.

U.S. pork accounted for 50% of Australia's imports in 2019, up from 46% in 2018 and from a recent low of 32% in 2015 and 24% in 2006. U.S. pork accounted for 22% of consumption in 2019, up from 17% in 2018 and up from 6% in 2006. U.S. pork has continued to gain market share in 2020.

Australia has become an increasingly important market for U.S. hams and picnics, as products going into Australia's further processing industry. Roughly 70% of Australia's processed pork is produced using imported product.

U.S. pork exports to Australia averaged $2.32 for every hog harvested in 2019.

Domestic production accounted for 63% of Australia's pork consumption in 2019, down from 71% in 2018 and 88% in 2006. Australia's domestic production dominates "fresh" or unprocessed pork offered at retail and foodservice, partly because of Australia's restrictions in imported pork.

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

U.S. – CAFTA-DR & U.S. – Panama FTA

The U.S. – CAFTA-DR agreement includes El Salvador, Nicaragua, Honduras, Guatemala, Dominican Republic, and Costa Rica, and was implemented in that order between 2006 and 2009. The U.S.- Panama FTA was implemented in 2012.

For CAFTA-DR, the base ad valorem duty on pork cuts was 15% in Nicaragua, Honduras, and Guatemala, 25% in the Dominican Republic, 40% in El Salvador, and 46 – 47% in Costa Rica. Upon implementation, duty-free quotas were immediately created for U.S. pork cuts, but as of 2020, all U.S. pork cuts and products enter duty-free for unlimited volumes for all countries except Costa Rica where pork duties will be phased to zero for unlimited volumes by 2023.

The base ad valorem duty on beef cuts was either 15% or 30% for all countries in CAFTA-DR except the Dominican Republic (which had duties of 40%), depending on the country, HS code, and whether beef cut quality was standard or Prime and Choice. Upon implementation, duties on Choice and Prime beef cuts immediately phased to zero for all countries except the Dominican Republic (where a duty-free quota was created for Choice and Prime cuts), but as of 2020, all beef and beef variety meat products, including standard quality cuts (i.e. that not grading Choice or Prime), enter duty-free for unlimited volumes except for Costa Rica, where duties will phase to zero for unlimited volumes by 2023.

Under the U.S. – Panama FTA, base duties of between 15 – 30% for beef cuts were immediately phased to zero for high-quality cuts and will phase to zero by 2026 for standard quality cuts. Duties on most pork cuts were 70%, and upon implementation, duty-free quotas were created for limited volumes of pork cuts and some cured and processed pork items. All pork products will be duty-free for unlimited volumes by 2026.

Since implementation of these agreements, the U.S. has become the dominant supplier of pork for all seven countries, and demand for imports continues to grow as overall per-capita consumption increases and self-sufficiency declines. U.S. pork exports to all the Central America markets set consecutive records in 2018 and 2019, and exports to the Dominican Republic set consecutive records from 2015 to 2018, with exports in 2018 surging 38% to 42,669 mt. Exports eased to 34,380 mt in 2019 but were still the second highest on record.

For beef, most countries in the region, except for El Salvador, are largely self-sufficient. U.S. market share varies by country with more intra-regional trade compared to pork. Nicaragua is the top supplier of beef to Guatemala, Panama, El Salvador, and Costa Rica. However, although imports remain at relatively low levels, imports per capita have increased significantly since implementation, and U.S. beef exports to Guatemala and the Dominican Republic were record large in 2019.

	El Salvador	Nicaragua	Honduras	Guatemala	Dominican Republic	Costa Rica	Panama
Implementation Year	2006	2006	2006	2006	2007	2009	2012
U.S. Pork Exports Implementation Year	1,759 mt $3.9 mil	214 mt $429,711	9,844 mt $16.0 mil	5,028 mt $10.2 mil	5,746 mt $10.9 mil	805 mt $1.7 mil	8,423 mt $18.8 mil
U.S. Pork Exports 2019	7,909 mt $19.3 mil	7,694 mt $19.0 mil	33,372 mt $66.5 mil	20,740 mt $59.7 mil	34,380 mt $77.8 mil	7,683 mt $24.4 mil	19,599 mt $47.9 mil
U.S. Pork Export Value per Hog Slaughtered 2019	$0.15	$0.15	$0.51	$0.46	$0.60	$0.19	$0.37
Per Capita Pork Consumption Implementation Year	2.3 kg	n/a	2.6 kg	3.5 kg	8.1 kg	n/a	9.0 kg

Per Capita Pork Consumption 2019	2.2 kg	n/a	4.3 kg	3.7 kg	9.0 kg	n/a	12.5 kg
U.S. Pork Import Market Share Implementation Year	33%	72%	77%	75%	97%	36%	53%
U.S. Pork Import Market Share 2019	90%	97%	98%	97%	95%	54%	71%
U.S. Share of Pork Consumption Implementation Year	9%	n/a	46%	10%	5%	n/a	13%
U.S. Share of Pork Consumption 2019	58%	n/a	81%	30%	34%	n/a	25%

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

	El Salvador	Nicaragua	Honduras	Guatemala	Dominican Republic	Costa Rica	Panama
Implementation	2006	2006	2006	2006	2007	2009	2012
U.S. Beef Exports Implementation Year	204 mt $621,837	477 mt $519,952	1,134 mt $1.7 mil	919 mt $3.0 mil	3,050 mt $15.9 mil	701 mt $1.7 mil	906 mt $6.7 mil
U.S. Beef Exports 2019	1,508 mt $7.8 mil	623 mt $1.1 mil	1,894 mt $7.0 mil	5,883 mt $36.9	8,034 mt $65.8 mil	2,952 mt $18.3 mil	2,278 mt $14.7 mil
U.S. Beef Export Value per Fed Head of Cattle Slaughtered 2019	$0.30	$0.04	$0.27	$1.41	$2.52	$0.70	$0.56
Per Capita Beef Consumption Implementation Year	6.8 kg	10.3 kg	6.7 kg	4.0 kg	8.4 kg	12.2 kg	n/a
Per Capita Beef Consumption 2019	7.9 kg	0.7 kg	4.6 kg	3.8 kg	5.5 kg	9.6 kg	n/a
U.S. Beef Import Market Share Implementation Year	0.3%	74% in 2009**	15%	10%	98%	11%	22%
U.S. Beef Import Market Share 2019	3%	29%	68%	34%	96%	22%	57%
U.S. Share of Beef Consumption Implementation Year	0.1%	0.1%	1%	1%	4%	1%	n/a
U.S. Share of Beef Consumption 2019	2%	2%	5%	9%	11%	5%	n/a

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

***Market share to Nicaragua is based on reported exports, and data from most other beef exporters to Nicaragua is not available until 2009*

U.S. – Colombia FTA

The U.S.-Colombia FTA, implemented in 2012, has enabled larger overall consumption of pork in Colombia as domestic production has continued to increase even with greater availability of imported pork in the market and provided growing opportunities for U.S. beef.

In 2012, U.S. exports to Colombia totaled 19,755 mt, valued at $54.1 million for pork and 917 mt, valued at $3.4 million for beef.

U.S. pork exports to Colombia set consecutive records from 2017 to 2019, reaching 99,869 mt in 2019 valued at $222 million. U.S. beef exports to Colombia also were record large in 2018 and 2019, reaching 6,724 mt in 2019 valued at $25.6 million, driven by strong beef liver shipments along with demand for beef for foodservice and recent growth in no roll beef products for convenience stores.

U.S. pork exports to Colombia averaged $1.71 for each head harvested in 2019. Colombia was the 7th largest export market for U.S. pork.

U.S. beef exports to Colombia averaged $0.98 for each fed head slaughtered in 2019. Chile was the 20th largest export market for U.S. beef.

Duties of 20 - 30% on pork cuts and variety meats were reduced to zero by 2016 except 0504 pork variety meats, which will be phased from 70% duty to zero duty for unlimited volumes by 2021.

80% duties on U.S. beef will be phased to zero for unlimited volumes by 2021. In 2012, duties on Choice and Prime beef immediately phased to zero with duty-free TRQs for variety meats and standard quality cuts from 2012 to 2020.

Colombia's pork consumption increased from 4.44 kg in 2012 to 8.33 kg in 2019.

U.S. share of Colombia's pork imports increased from 51% in 2012 to 91% in 2018 and 2019. The majority of U.S. pork exported to Colombia is destined for processing, but in recent years, increased demand for table meat products and identification of U.S. pork products at retail has been noted.

At the same time, Colombia's pork production has continued to grow, with production increasing from 176,860 mt in 2012 to 311,762 mt in 2019, up 76% and averaging 9% growth per year.

U.S. pork accounted for 7% of Colombia's consumption in 2012 and increased to 24% in 2018 and 23% in 2019. The U.S. share of consumption is expected to decrease to 17% in 2020 as overall consumption drops and imports slow mainly due to COVID-19 challenges.

Colombia is self-sufficient in beef production, and per capita consumption decreased from 13.1 kg in 2012 to 10.6 kg in 2019, reflecting decreased domestic production over the time period.

Colombia's beef import volumes are minimal but growing, with U.S. market share increasing from 20% in 2012 to 80% in 2019. Imports from the U.S. accounted for the less than 1% of Colombia's beef consumption.

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

U.S. – Chile FTA

Since implementation of the FTA between the U.S. and Chile in 2004, Chile has become a main destination for both U.S. pork and beef exports.

In 2004, U.S. pork exports to Chile totaled 68 mt, valued at $176,998, and U.S. beef exports to Chile totaled just 7 mt, valued at $157,553 (but had reached 6,928 in 1998 prior to BSE).

U.S. pork exports to Chile set consecutive records from 2017 to 2019, reaching 42,951 mt in 2019, valued at $122.5 million. U.S. beef exports to Chile were 11,378 mt in 2019, valued at $67.7 million.

U.S. pork exports to Chile averaged $0.94 for each head harvested in 2019. Chile was the 9th largest export market for U.S. pork.

U.S. beef exports to Chile averaged $2.59 for each fed head slaughtered in 2019. Chile was the 15th largest export market for U.S. beef.

Through the U.S.-Chile FTA, most duties on U.S. beef and pork products were phased from 6% to zero either immediately upon implementation or by year four of the agreement. All U.S. beef and pork products now enter duty free. All main competitors also pay zero duty on beef and pork products through various agreements including the Mercosur Agreement, EU-Chile FTA, and the Canada-Chile FTA.

Looking at 2006 instead of the 2004 implementation year for data availability, Chile's pork consumption was 15.17 kg in 2006, 15.91 kg in 2009, and 16.82 kg in 2019.

U.S. share of Chile's pork imports was 26% in 2006, 23% in 2009, and 43% in 2019.

Chile is self-sufficient in pork production and is also a top pork exporter. Chile has been exporting a larger share of production since 2018 with increased exports to China, and exports in 2019 accounted for 46% of production.

U.S. pork accounted for 0.2% of Chile's consumption in 2006, 0.5% in 2009, and 14% in 2019 (up from 9% in 2017 and 2018) as U.S. pork backfilled domestic needs in Chile as exports ramped up.

For beef, Chile is not self-sufficient, and imports have accounted for over half of consumption since 2013. In 2006, Chile's beef consumption was 15.2 kg before increasing to 15.6 kg in 2009 and 20.4 kg in 2019, a new high.

U.S. beef accounted for 0% of Chile's consumption in 2006, 0.1% in 2009, and 2.1% in 2019.

U.S. beef market share increased from 0% in 2006 and less than 1% in 2009 to 3.1% in 2019. Other suppliers from the region including Brazil, Paraguay, Argentina, and Uruguay are the main suppliers for Chile, but about 90% of U.S. beef exports to Chile are destined for retail, with strong demand for U.S. chuck rolls, a popular grilling cut sold at retail.

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

U.S. – Peru FTA

Since the implementation of the U.S.-Peru FTA in 2009, Peru has become a top destination for U.S. beef variety meat exports and a promising growth destination for U.S. pork exports.

In 2009, U.S. beef exports to Peru totaled 4,659 mt, valued at $6.4 million, and U.S. pork exports to Peru totaled 519 mt, valued at $1.1 million.

U.S. beef exports to Peru were 7,501 mt in 2019, down 4% from 2018, valued at $24.3 million, down 2%. Growth is expected in 2020 despite the slowdown in HRI due to COVID-19 as demand for variety meats, especially livers, has increased with consumers preferring affordable and immune-boosting foods.

U.S. pork exports to Peru were record large in both volume and value for the third consecutive year in 2019 at 7,018 mt, up 18% year-over-year, valued at $17.7 million, up 50% year-over-year.

U.S. beef exports to Peru averaged $0.93 for each fed head slaughtered in 2019. Peru was the 14th largest export market for U.S. beef. Peru was the 8th largest market for just beef variety meat exports and was the 3rd largest market for U.S. frozen beef liver exports after Egypt and South Africa.

U.S. pork exports to Peru averaged $0.14 for each head harvested in 2019. Peru was the 21st largest export market for U.S. pork.

Duties between 12 – 25% on all beef and variety meat products were phased to zero by 2020 except for 021020 prepared/preserved beef for which duties will be phased to zero by 2023. Duties on Choice and Prime beef cuts were immediately phased to zero upon implementation.

Duties of 12 – 25% on all pork and variety meat products were phased to zero by 2013 except for Ch. 16 processed pork products for which duties were phased to zero by 2015.

Peru's beef consumption increased from 4.19 kg in 2009 to 4.37 kg in 2019.

Peru is largely self-sufficient in beef production, but imports have doubled over the last 10 years. U.S share of Peru's beef imports increased from 7% in 2009 to 20% in 2019.

Peru's pork production data is limited, so when looking at just imports per capita, imports per capita increased from 0.5 kg in 2009 to 0.28 kg in 2019.

U.S. market share of Peru's pork imports increased from 1% in 2009 to 57% in 2019.

**Per capita consumption is in product weight; U.S. market share is also product weight and excludes variety meats*

U.S.- Singapore FTA

Singapore's tariffs were already zero and Singapore has consistently performed as an important market for U.S. beef and pork. U.S. beef exports to Singapore reached 3,460 mt in 2019, up 45% from 2010 and up 171% from the 1995/96 average, with value increasing to $29.5 million, up 143% from 2010 and 265% from 1995/96. U.S. pork exports to Singapore totaled 4,670 mt valued at $14.4 million in 2019, up 242% and nearly 300% from 1995/96, respectively.

U.S.-Morocco FTA and U.S. Beef Exports to Bahrain, Israel, Jordan, and Oman

Morocco opened to imports of U.S. beef in late 2018. Exports have thus far been limited, but the FTA provides some opportunities with a duty-free quota for 6,927 mt of High Quality beef (in 2020) and for 2,438 mt of beef not meeting the High Quality definition as well as variety meats. Duty-free volumes will be unlimited in 2023. Tariffs were immediately reduced upon implementation in 2006, from extremely high base rates of 275% for cuts and variety meats and 50% for frozen skirt meat, but the market remained closed due to BSE-related restrictions, until late 2018.

For some of the smaller FTA markets for U.S. beef, the tables below summarize the export data:

U.S. Beef & Variety Meat Export Value to Select FTA Countries

Country Name	1995	1996	2010	2018	2019	2019 vs. 95/96	2019 vs. 2010
Bahrain	352,548	293,652	4,268,392	7,611,220	7,222,549	2135%	69%
Israel	1,059,757	649,313	696,256	7,766,827	16,252,421	1802%	2234%
Jordan	253,928	631,952	3,724,639	6,756,915	6,071,391	1271%	63%
Oman	51,847	91,118	11,355	1,654,283	2,449,857	3327%	21475%
Grand Total	1,718,080	1,666,035	8,700,642	23,789,245	31,996,218	1791%	268%

U.S. Beef & Variety Meat Export Volume to Select FTA Countries

Country Name	1995	1996	2010	2018	2019	2019 vs. 95/96	2019 vs. 2010
Bahrain	76	73	1,130	720	740	893%	-35%
Israel	663	503	114	965	1,611	176%	1313%
Jordan	47	186	1,015	764	732	528%	-28%
Oman	13	30	2	145	253	1077%	12550%
Grand Total	799	792	2,261	2,594	3,336	319%	48%