



INTERNATIONAL AFFAIRS

ISSUE: NAFTA/USMCA REGULATORY COOPERATION AND BORDER ISSUES

IMPORTANCE: Canada and Mexico have emerged as two of the largest export markets for many U.S. meat and poultry products. In response to these market conditions, the North American industry has integrated operations throughout its supply chain. Products often cross North American Free Trade Agreement (NAFTA)/U.S.-Mexico-Canada Agreement (USMCA) borders one or more times before reaching end consumers. However, unnecessary or duplicative regulatory barriers at the border hamper this trade, reducing efficiency and increasing expenses while contributing nothing to food safety. By reducing these barriers, both the North American meat industry and its consumers stand to gain from the improvement in food safety and transportation logistics.

OBJECTIVE: To develop and implement projects through the NAMI-led NAFTA/USMCA Regulatory Cooperation Working Group to reduce unnecessary burdens on cross-border trade in the region by identifying and promoting streamlined regulatory processes that deliver product to the consumer in the fastest, freshest, and safest possible state.

ACTION STEPS:

- In cooperation with Canadian and Mexican partner associations and companies, hold regular meetings and conference calls of the International Trade Policy Committee/NAFTA/USMCA Regulatory Cooperation Working Group.
- Propose, develop, and implement, in conjunction with relevant government agencies, programs and processes that improve trade in meat products and promote regulatory coherence in the North American region.
- Provide Administration officials and Congressional contacts with U.S. meat and poultry trade priorities for the North American market and outline key regulatory and border issues such as:
 - Simplify the FSIS meat export library for Canada;
 - Address trade disruptions and commercial concerns related to Mexico's new front-of-pack labeling regulations;
 - Support a resolution to ongoing investigations into seasonal and perishable products that does not result in retaliatory tariffs on U.S. meat and poultry exports to Mexico, which would undermine the industry's access under USMCA;
 - Encourage USDA to implement the first phase of the laboratory microbial testing pilot project between the U.S. and Canada;
 - Work with FSIS, CFIA/Canada, and SAGARPA/Mexico to reduce meat sampling sizes during border inspections and allow partial drop shipments among the three countries; and,
 - Encourage adoption of simplified border clearance procedures for products such as inputs for artisan meats and other fully-cooked meat and



food products. Last year, FSIS approved our “For Cooking Only” initiative; this is explained below:

In June 2019, FSIS approved changes to the import reinspection verification activities for STECs in raw beef products bearing the “For Cooking Only” or “For Full Lethality Treatment” instructional claims. Provided labelling and documentation meet the requirements of the notice, the imported raw beef product will not be sampled for STECs. However, this does not apply to product that has previously tested positive for an STEC as product that has tested positive is not eligible for import into the U.S. The product imported can only be further processed in official establishments and cannot be exported, sent to State-inspected establishments, or enter commerce, but can be shipped through ID Warehouses or official establishments pending delivery to the official establishment which applies cooking or full lethality treatment to eliminate STEC.

The change is applicable for all countries eligible to export raw beef products to the US.