



## Benefits of the U.S.-Korea Free Trade Agreement for U.S. Meat Exports

The U.S. meat industry has benefited substantially from the entry into force of the U.S.-Korea Free Trade Agreement (KORUS) in March 2012. Since 2012, the U.S. and South Korea have carried out five rounds of tariff cuts and eliminations, creating significant new market access opportunities for U.S. exporters. The agreement has also expanded opportunities for services trade, improved transparency in South Korea's regulatory system, strengthened intellectual property protection, and leveled the playing field for key U.S. exports, including beef. South Korea is now the second-largest value market for U.S. beef products and fourth-largest for U.S. pork, and KORUS is rebuilding Korean consumer confidence in the safety, quality and consistency of U.S. beef and pork products.

In 2017, the Trump administration called for a special session of the KORUS Joint Committee to discuss possible modifications to the agreement, after which three rounds of negotiations were held. On March 28, 2018, the U.S. and South Korea issued a [joint statement](#) indicating that the two sides had reached an agreement in principle on amendments and modifications to KORUS. A revised KORUS agreement was signed in September 2018.

### **Beef**

- Under KORUS, South Korean tariffs on imports of U.S. beef muscle cuts will decline from 40 percent to zero by 2026, with an annual decline of 2.7 percent over that period.
- The agreement includes a quantity safeguard of 270,000 metric tons for beef muscle cuts, growing at a compound two-percent annual rate to a final safeguard level of 354,000 tons in 2026. After 2026, tariffs will be reduced to zero and the safeguard will no longer apply.
- Tariffs on U.S. beef offal exports are also scheduled to decline in 15 equal annual reductions from their 18- and 27-percent levels. Offal trade was not subject to safeguards.
- In 2011, prior to the establishment of KORUS, U.S. beef exports to South Korea totaled \$686 million. In 2017, the value of U.S. beef exports to South Korea increased to nearly \$1.22 billion.

### **Pork**

- KORUS eliminated tariffs on more than 90 percent of U.S. pork exports to South Korea as of January 1, 2016. Prior to KORUS, duties on U.S. chilled pork and frozen pork exports totaled 22.5 percent and 25 percent, respectively.
- KORUS eliminates tariffs on fresh pork bellies and other miscellaneous fresh pork cuts in year 11 of the agreement, allowing for unlimited duty-free access for these products.
- U.S. pork exports to South Korea increased from \$190 million in 2010, prior to KORUS, to \$475 million in 2017.

KORUS has also benefited the meat industry by establishing strong, science-based trade measures. The agreement established a Sanitary and Phytosanitary (SPS) Committee to enhance cooperation and consultation on SPS matters. This Committee works to achieve regulatory harmonization through the use of international standards and guidelines, including those of the World Organization for Animal Health (OIE), to address animal health and food safety concerns.

#### Sources

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