



National Bison Association

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Bison and International Trade

National Bison Association Priority Issues Briefing Paper

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Background

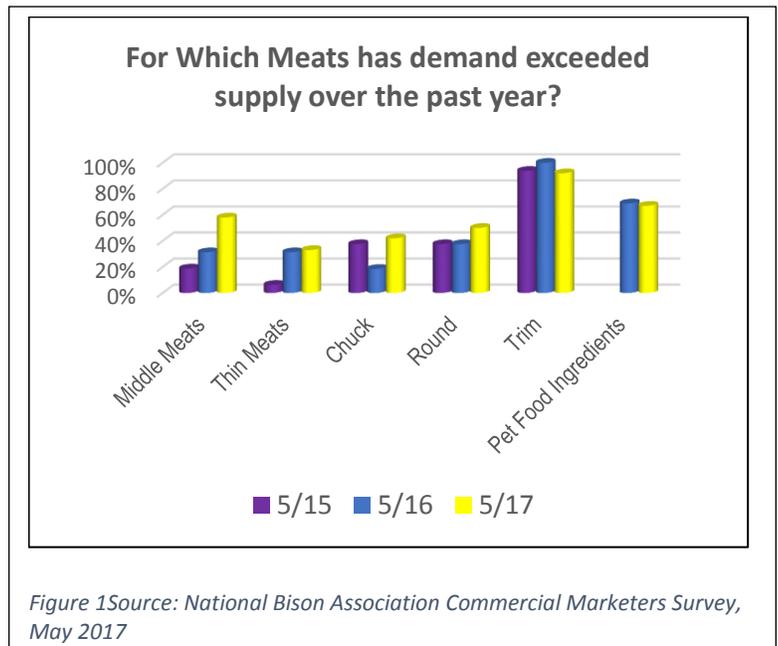
North Americans are not alone in discovering the great taste of bison meat. Bison sales are increasing in the European Union, and importers in Korea, Japan and Australia are expressing a desire to bring bison meat into their marketplace.

The fledgling bison export market, however, is hamstrung by a series of trade barriers. The National Bison Association commends the USDA Foreign Agriculture Service, and the U.S. Trade Representative's office for working to address these barriers. As new personnel fill the key posts in these agencies in the coming months, we look forward to continuing that work.

Here are the key areas of concern for the bison business:

North American Free Trade Agreement

Bison producers in the United States and Canada do not consider each other competitors, but instead as partners in building the bison business. This relationship can be understood when looking at the current dynamics for bison meat in the U.S. retail and foodservice markets. Consumer demand for all types of bison meat have outstripped available supply for nearly a decade. According to the National Bison Association's latest survey of commercial marketers (May 2017), demand is exceeding supply for every part of the bison carcass, including pet food ingredients. Major retailers and restaurants are increasingly interested in featuring bison. Availability remains key.



Last year, 34 percent of the bison meat marketed in the United States was sourced from animals imported from Canada for slaughter. Without that supply, bison would simply not be in the retail case, or on the restaurant menu in many areas. A seamless border with Canada is in the vital interests of bison producers and marketers on both sides of the 49th parallel.

EU Trade

U.S. bison and beef products are eligible for export to the EU under what is known as the "Hilton Quota," which carries a 20 percent tariff. At the same time, beef produced without the use of growth-promoting hormones may enter EU markets at zero tariff, as outlined in the 2009 Memorandum of Understanding (MOU) between the United States and the EU.

From the signing of the MOU until summer 2011, the EU was also admitting bison (which, by U.S. law, is produced without added hormones) at zero-tariff. It has since rescinded this practice, once again subjecting bison to the 20 percent tariff imposed under the Hilton Quota.

Losing favorable duty treatment for U.S. bison exports to the EU created a significant economic setback for the American bison industry. In today's market, the EU's 20 percent tariff pushes bison meat beyond the price threshold for most European consumers. Additionally, the Comprehensive Economic and Trade Agreement concluded between Canada and the European Union in 2014 provides for tariff-free exports of up to 3,000 tonnes of Canadian bison tariff-free to the EU each year.

In any upcoming negotiations with the EU and the United Kingdom, negotiators must push to eliminate the 20 percent tariff imposed on non-hormone treated bison meat. And, as a starting point, we urge that a unique customs code be assigned for bison meat.

Pacific Trade

Following the detection of bovine spongiform encephalopathy (BSE) in a Washington state dairy cow in 2003, Japan and Korea closed their borders to all ruminant products from the United States. In 2006, Japan and Korea reopened its market for U.S. beef, but continue to prohibit imports of U.S. produced bison and lamb. This is particularly frustrating because BSE and its variants have never been detected in bison in North America.

Korea

USDA FAS has initiated the formal petition process to reopen the Korean market to bison meat. Individual importers and distributors in Korea have identified opportunities for building markets there. The NBA stands ready to provide FAS with any information/assistance needed to complete this process.

Japan

We understand that bison must stand "in the queue" in terms of access to the Japanese market. However, bison marketers are already receiving an increase in inquiries from Japanese importers and distributors.

Australia

This is a relatively new development. There is interest in Australia about bringing in bison meat to that marketplace. This one falls under the category of initial exploration.

General Request

The access that bison producers/marketers have to foreign markets under international trade agreements tends to rest on the use of one term: "bovine" or "beef." The National Bison Association strongly urges our negotiators to use the term "bovine" on any measures dealing with tariff and other non SPS issues in trade agreements.