



National Bison Association

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Bison Issues Overview, September 2019

Bison and International Trade

Background

North Americans are not alone in discovering the great taste of bison meat. Bison sales are increasing in the European Union, and companies in Mexico, Korea, Japan and Taiwan are actively seeking the ability to import American bison meat into their countries.

The fledgling bison export market, however, is hamstrung by a series of trade barriers. The National Bison Association commends the USDA Foreign Agriculture Service (FAS), and the U.S. Trade Representative's (USTR) office for working to address these barriers.

We were particularly pleased when the USTR committed to including an elimination of the bison tariff on the Transatlantic Trade and Investment Partnership, and when USTR negotiated the Trans Pacific Partnership in a manner that included bison in tariff reductions for beef. With both of those trade negotiations scuttled, and with new trade tensions with the European Union, Asia and Mexico, those initiatives have seemingly been sidelined.

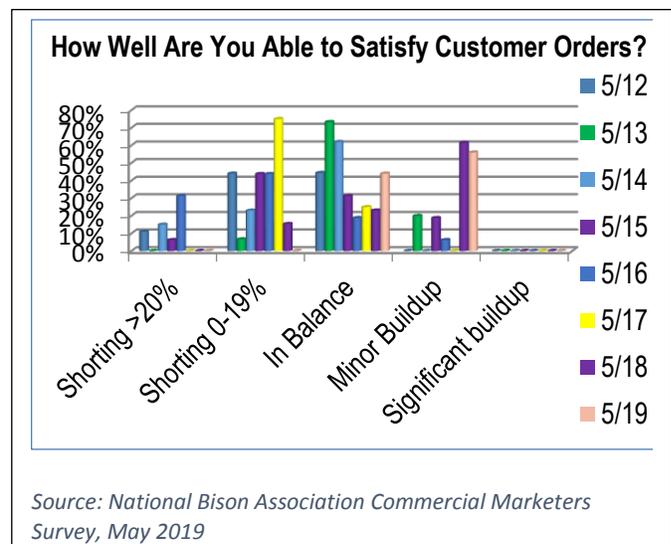
The need for international trade is becoming increasingly important for the bison business. After years of facing a shortage of meat to supply the domestic market, the bison business now has the supply-demand equation in balance, and in fact, is experiencing a slight build-up of some cuts. Some of those cuts are highly desired by foreign customers.

Here are the key areas of concern:

EU Trade

U.S. bison and beef products are eligible for export to the EU under 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 It has since rescinded this practice, once again subjecting bison to the 20 percent tariff imposed under the Hilton Quota.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.

We are encouraged by the recent announcement by the President and the Commissioner of the European Union to work toward the reduction and/or elimination of tariffs. Any negotiations with the EU and the United Kingdom must include a renewed commitment 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.

U.S. Mexico and Canada 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.

Because the U.S. bison sector is relatively small, U.S. producers work closely with their Canadian counterparts to assure that there is adequate product to supply the U.S. retail, foodservice and pet food marketplace. In fact, 34 percent of the bison meat marketed in the United States last year was sourced from animals imported from Canada for slaughter. A seamless border with Canada is in the vital interests of bison producers and marketers on both sides of the 49th parallel.

In regard to Mexico, several U.S. marketers report a significant level of interest in bison meat among Mexican importers. This is an important opportunity because consumers in Mexico value cuts of meat that are often in over-supply in the U.S. marketplace. We thank the FAS for working to open the Mexican market to U.S. bison meat.

Pacific Trade

Following the detection of bovine spongiform encephalopathy 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. 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 – FAS has initiated the process to petition Japan to open its market to American bison. It's important to note that bison marketers are already receiving an increase in inquiries from Japanese importers and distributors. USDA APHIS has been notified of this as well.

Taiwan – One of our major marketers has been approached by Taiwanese importers with an interest in bringing bison into that nation. Again, we will work with FAS to provide any information needed to open this market.

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.