



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Chinese announcement on U.S. porcine proteins
Da: Tuesday, Dec. 6, 2005

In December 2003, China banned imports of U.S. porcine proteins following the detection of BSE in a cow in the United States. Porcine proteins consist of blood, plasma, and gelatin derived from hogs. China's import prohibition occurred although BSE is not found in porcine materials. China stated that it imposed this ban over concerns that porcine proteins might become commingled with bovine proteins in production plants, but U.S. practices make such occurrences impossible. For example, certain U.S. plants are dedicated solely to producing porcine proteins. Sen. Chuck Grassley, chairman of the Committee on Finance, made the following statement regarding the announcement of China that it will reopen its market to imports of U.S. porcine proteins.

"I've received word from the Chinese government that China is reopening its market to imports of U.S. porcine proteins. The effective date of China's announcement was November 28. This announcement is welcome news. China's two-year ban on imports of U.S. porcine proteins has caused real harm for Iowa pork and porcine protein producers. I'm disappointed that China imposed this ban in the first place, and that it took too long for China to announce that it's lifting its ban, but the reopening of the Chinese market – once shipments actually begin flowing again – will translate into jobs for Iowans and workers in this field in other states.

"Getting this unfair trade barrier lifted has been an important priority for me. I've worked over the past two years to see that China abides by its WTO obligations and reopens its market to this safe U.S. product. I repeatedly raised the porcine protein issue with the Administration at every level to emphasize the importance of removing this unfair trade barrier, and I know that Administration officials took this issue seriously. I also wrote to China's Ambassador to the United States, Zhou Wenzhong, in September asking that he use every available means to see that this import prohibition is lifted. I appreciate the efforts that Ambassador Zhou made to resolve this issue.

"The announcement of the Chinese government that it will reopen its market to U.S. porcine proteins demonstrates that, with hard work and persistence, we can get these unfair trade barriers removed. I look forward to working constructively with China to overcome other trade problems, especially getting China to reopen its market to imports of U.S. beef, a product that is clearly safe.

"I'll be monitoring China's lifting of its porcine protein ban to see that this announcement indeed results in the resumption of U.S. exports of this product to China. Nevertheless, this announcement is good news for exporters of porcine proteins in Iowa and elsewhere in the United

States.”

Here’s Chairman Grassley’s Sept. 2, 2005, letter.

September 2, 2005

His Excellency Zhou Wenzhong
Ambassador of the People’s Republic of China
Embassy of the People’s Republic of China
2300 Connecticut Avenue, N.W.
Washington, D.C. 20008

Dear Ambassador Zhou:

I am writing with regard to efforts of U.S. porcine protein producers to resume exports to China. Following the detection of bovine spongiform encephalopathy (BSE) in a cow in the United States in December 2003, China prohibited the importation of U.S. porcine proteins. These proteins consist of blood, plasma, and gelatin derived from hogs. China’s General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) justified this ban due to concerns that porcine proteins might be commingled with bovine proteins.

Certain plants in the United States are dedicated solely to producing porcine proteins; bovine proteins are simply not present in these plants. Accordingly, it would be impossible for porcine products processed in these “single species” facilities to become mixed with bovine materials. Therefore, concerns of AQSIQ regarding commingling in these plants are scientifically unfounded.

Officials from AQSIQ conducted audits of U.S. porcine protein production facilities last June. Through these visits, AQSIQ observed first-hand the impossibility of porcine proteins being commingled with bovine proteins. AQSIQ’s concerns, therefore, should have been allayed. Regardless, China continues to ban the importation of U.S. porcine proteins, including porcine proteins from “single species” plants.

China’s continued ban on the importation of U.S. porcine proteins is not based on science, and, accordingly, this ban apparently contravenes China’s obligations under the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) of the World Trade Organization (WTO). I note as well that the International Office of Epizootics -- which is recognized as a standard-setting organization under the SPS Agreement -- has stated that commodities other than cattle are not known to transmit BSE and that, for this reason, trade of non-cattle commodities (*e.g.*, porcine proteins) should not be restricted on account of BSE. Moreover, I am unaware whether the WTO was notified of China’s prohibition on imports of U.S. porcine proteins as required under the SPS Agreement.

The jobs of many Iowans are at risk due to this unjustified import ban. I urge you to use every available effort to see that this import prohibition is lifted as soon as possible.

Sincerely,

Charles E. Grassley