



Trade Facts

Office of the United States Trade Representative

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Results of Bilateral Negotiations on Russia's Accession to the World Trade Organization (WTO)

Non-Tariff Measures Affecting U.S. Agricultural Trade

November 19, 2006

Russia agreed to address non-tariff measures that currently impede U.S. agricultural exports of beef, pork, poultry, and products of modern biotechnology. The commitments below take effect immediately (upon signature of the WTO bilateral market access agreement).

Certification of Pork and Poultry Facilities for Export to Russia: Prior to the bilateral agreement, Russia and U.S. officials jointly inspected all pork or poultry facilities that wanted to export product to Russia. This process prevented exports from new plants, or plants needing to remedy a deficiency found during the joint audit, until the next joint inspection occurred. U.S. exporters also noted concerns about the time it took Russian officials to formally approve facilities after the inspection and to provide an updated list of approved facilities to its customs officials so trade could begin.

The bilateral agreement establishes a new procedure for inspection of these facilities whereby Russia:

- Authorizes the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) to certify new facilities and/ or facilities needing to remedy a deficiency found in the annual joint audit by Russian and USDA officials. If a facility fails a joint inspection, it will be de-listed until it is re-certified by FSIS.
- Agrees to specific time frames to respond in a timely and predictable fashion and list the facilities approved by FSIS; and
- Implements a new process whereby the annual joint audits will review:
 - up to 50 percent of the newly certified facilities FSIS since the last joint inspection;
 - up to 100 percent of the facilities that at the most recent (previous) joint inspection were found deficient but in the interim were approved by FSIS; and
 - 10 – 15 percent of the other facilities currently eligible to export pork and poultry to Russia, including pork plants that previously could only export frozen pork for further process but now can export pork for retail sale.

BSE (Trade in Beef and Beef By-Products): Exports of U.S. beef and beef by-products to Russia have been restricted since the 2003 case of bovine spongiform encephalopathy (BSE) was discovered

in the United States. Russia immediately banned all U.S. exports of beef and beef by-products (e.g. offals), thereby closing the largest export market for U.S. frozen beef livers.

Under the bilateral agreement, Russia agreed on a two-step process to open its market to de-boned beef, bone-in beef and beef by-products.

- First, Russia will immediately open its market to de-boned beef, bone-in beef and beef by-products from cattle under 30 months of age. The United States and Russia agreed on an export certificate to be used by U.S. suppliers. Russian and U.S. veterinarians agreed to jointly inspect all slaughter facilities desiring to export beef to Russia in an expeditious and timely manner so that trade resumes quickly. After the initial joint inspection of a beef slaughter facility, the inspection and certification process for pork and poultry will apply.
- The second step occurs once the General Assembly of the World Organization for Animal Health (OIE) takes a decision on the U.S. risk-status with regard to BSE. At that time, Russia and the United States will immediately re-negotiate the export certificate consistent with the language in the bilateral agreement. This means that an OIE designation of the United States as a controlled-risk or negligible risk country would open Russia's market to U.S. beef of all ages (excluding the specified risk materials that the OIE requires to be removed).
- Russia and the United States also agreed that the presence of commercially accepted levels of bone fragments, other than from the skull and vertebral column, will not be the basis for rejecting imports of beef and beef by-products.

Trichinae (Trade in Frozen Pork): Prior to the bilateral agreement, Russia only accepted freezing as mitigation for trichinae if U.S. frozen pork was used for further processing. Costly testing for trichinae was required of all U.S. frozen pork destined for retail sale.

- Under the bilateral agreement, Russia agreed to accept freezing as mitigation for trichinae for U.S. frozen pork for further processing and for retail sale. The United States and Russia also agreed on an export certificate to be used for trade in frozen pork.

Biotechnology: U.S. suppliers of products of modern biotechnology have faced an unpredictable regulatory environment in Russia. For example, product registrations and approvals in the area of feeds halted in 2004 initiated legislative reforms and began work on the development of a new permanent regulatory system for all products of modern biotechnology. Russia has very recently taken steps to put in place an interim regulatory system until a permanent system can be finalized.

- Russia agreed to maintain an interim approval and registration system for products of modern biotechnology that is science-based, transparent, predictable and consistent with the WTO Agreement. In addition Russia will establish a permanent biosafety regulatory system for products of modern biotechnology that is science based, transparent, predictable and consistent with the WTO Agreement. The United States will have an opportunity to comment on the interim and permanent approval and registration systems for these products, and Russian officials will take U.S. comments into account.
- Russia agreed to register products covered by all pending applications that have received a favorable science-based risk assessment by November 15, 2006. Russia and the United States agreed to hold annual consultations on the status of applications for re-registration of products whose registrations have expired during that year and to establish an ongoing bilateral consultative mechanism to discuss issues of regulatory development in the area of agricultural biotechnology.

- Russia will ensure that implementation of its law on labeling for products of modern biotechnology will be transparent, predictable and consistent with WTO provisions. The United States will have an opportunity to comment on Russia's labeling regime, and U.S. comments will be taken into account by Russian officials.

Avian Influenza: In February 2006, Russia agreed to amend the U.S.-Russia Coordinated Response on Avian Influenza to make it consistent with OIE guidelines by accepting the OIE definition of notifiable avian influenza (AI) and the OIE time periods for banning poultry exports if notifiable AI were to be detected in U.S. commercial poultry. As a result, previous bans on U.S. exports of poultry from countries and adjacent countries that report non-notifiable avian influenza (i.e., non-H-5 or H-7 low pathogenic) in commercial poultry were eliminated. The bans on U.S. poultry exports from any state that might detect notifiable AI in commercial poultry were also shortened from 6 to 3 months.