Testimony of

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On behalf of the

National Cattlemen's Beef Association

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Introduction

Chairman Smith, Ranking Member Sanchez, and Members of the Committee, thank you for inviting me here to testify before you today. My name is Robby Kirkland, and I am the vice president and general manager of Kirkland Feedyard - my family's third-generation, family farm, ranch, and feedyard operation near Vega, Texas. I am also the Chairman of the Texas Cattle Feeders Association, where our members feed and market 25 percent of all U.S. fed cattle. I am here today on behalf of the National Cattlemen's Beef Association (NCBA), where I serve on the Board of Directors. I am honored to share our perspective on the importance of international trade.

NCBA is the oldest and largest trade association representing the U.S. cattle and beef industries. With roots extending as far back as 1898, today we represent over 25,000 direct members and 178,000 through our 44 state affiliate organizations, each of which play a role in crafting the policy positions our organization takes. It is important to note that well over 90 percent of those members are, like myself, family-owned business entities involved in the cow-calf, stocker/backgrounder, and feeding sectors of the supply chain. Each of those members has a voice in our organization's century-old policymaking process, and it is from the resolutions and directives resulting from this process that NCBA takes positions on legislation and proposed regulations.

NCBA is a strong supporter of market-based, science-based, and rules-based trade policies, and we have supported previous efforts, including bilateral and multilateral agreements, that removed tariff and non-tariff trade barriers that hindered U.S. cattle and beef trade. Unfortunately, the United States stepped back from market access negotiations in recent years and did little to expand access for U.S. exports aside from resolving some technical barriers. Meanwhile, our competitors negotiated robust trade agreements and gained a critical advantage in key markets where U.S. agricultural products face higher tariffs and a web of non-tariff barriers. It is time for the United States to re-engage and secure preferential access with our allies and in key markets in Asia, Africa, Latin America, and the Middle East. We encourage Congress and the Trump Administration to continue incorporating proven standards and concepts that have elevated the U.S. cattle and beef industry among international competitors. We strongly support your efforts to hold our trade partners accountable and level the playing field for all segments of the U.S. cattle and beef industry.

Overview: Cattle Production is the Largest Segment of U.S. Agriculture, and Fair Trade is Vital to Our Success

According to the U.S. Department of Agriculture's (USDA) 2022 Census of Agriculture, the United States has more than 622,000 cattle ranches and farms which account for 33 percent of all U.S. agricultural operations, accounting for $108 billion in cash receipts in 2024.[1] According to USDA-ERS, cattle production is the most important agricultural industry in the United States and represented nearly 17 percent of the $520 billion in total cash receipts forecasted for 2023 agricultural commodities.[2]

U.S. cattle farms, ranches and feedlots in the United States raise about 86.7 million head of cattle.[3] The vast majority are raised on family-owned, multi-generational businesses with an average beef cow herd of 47 head. As a direct result of producer investments in scientific advancements in cattle genetics, nutrition, and production practices, the U.S. is a global leader in cattle production efficiency. In fact, the U.S. produces 18 percent of the world's beef with 6

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[1] USDA Economic Research Service, "Annual Cash Receipts by Commodity," Accessed 03/07/2025.
[2] USDA Economic Research Service, "Sector at a Glance," Accessed 03/07/2025.
[3] USDA National Agricultural Statistics Service, "Press Release: United States cattle inventory down 1%", 01/31/2025.

percent of the world's cattle.[4] In addition, cattle producers own or care for roughly 35 percent of the U.S. landmass. Because of this active management, they steward and improve over 800 million acres of wildlife habitat, unique landmarks, and delicate ecosystems.[5] U.S. cattle are raised with some of the highest standards in the world, and U.S. beef is the preferred protein in many markets due to the trusted reputation of the cattle producers and the industry behind it.

Most beef produced from U.S. cattle is consumed by Americans, and roughly 10-15 percent of U.S. beef is sold to overseas consumers, attributing more than $415 in value to each head of fed cattle produced in 2024.[6] Exports maximize the value of each carcass by securing premium values for cuts like short plate, tongues, and rounds that are not as competitive in the domestic market. Over the past decade there has been a steady increase in export sales of U.S. beef as tariff and non-tariff trade barriers have been removed through trade agreements and regulatory changes with key export markets such as Korea, Japan, and China. In 2022, U.S. beef exports set a new record with nearly $11.71 billion in sales; with sales in Korea, Japan, and China/Hong Kong each surpassing $2 billion.[7] Exports have declined over the past two years due to drought-induced herd contraction, and in 2024 we exported $10.45 billion of U.S. beef.[8] Even though export sales are down compared to 2022, global demand for U.S. beef is on the rise as consumers seek out U.S. beef due to its reputation for safety, quality, and positive eating experience. We must continue removing trade barriers so that U.S. cattle producers can capitalize on overseas consumer demand as we rebuild the herd.

The United States is one of the largest importers of beef in the world, and in 2024 the U.S. imported $11.73 billion of beef primarily from countries like Australia, Canada, Mexico, and New Zealand.[9] Americans love ground beef, but we do not produce enough lean grind in the U.S. to satisfy domestic demand. Therefore, we import beef from other countries and combine it with our trimmings to help meet domestic demand and ensure affordability for ground beef. U.S. beef dominates the U.S. market, and only 15 percent of beef consumed in the United States is imported.[10] The United States is a prized market for beef sales, and major exporters like Australia and Brazil strive to increase market share in the U.S. as the Chinese market becomes less dependable. Likewise, countries like Brazil, Paraguay and Colombia that have a history of Foot-and-Mouth Disease (FMD) view market access to the U.S. as an endorsement of their product. Securing beef access to the U.S. has been a top policy goal for these governments. Brazil and Paraguay were granted access under highly questionable conditions and outdated risk assessments, and we do not want the U.S. government to continue using beef access as trade bait with South American countries including Colombia.

As part of our dynamic trade relationship with Canada and Mexico, the United States also trades live cattle duty-free under the U.S.-Mexico-Canada Agreement (USMCA). Live cattle from Canada and Mexico are subject to thorough inspections based on animal health standards implemented by USDA. Similar to other user fee paid services administered by USDA, veterinarians and cattle inspectors are funded through invoices submitted by USDA to the border crossing facility operators. It is imperative that the Trump Administration and USDA continue to hire and fully

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[4] Source: UN FAOSTAT, 2018. http://www.fao.org/faostat/en/#home
[5] Andreini, E.M., "How does upcycling relate to beef production?", https://www.beefresearch.org/resources/beef-sustainability/fact-sheets/upcycling, 2019.
[6] "U.S. Pork Exports Record-Large in 2024; Beef Export Value Trends Higher", U.S. Meat Export Federation, www.usmef.org, 02/06/2025.
[7] U.S. Meat Export Federation, Export Statistics, www.usmef.org, Accessed 03/07/2025.
[8] U.S. Meat Export Federation, Export Statistics, www.usmef.org, Accessed 03/07/2025.
[9] U.S. Department of Commerce, https://usatrade.census.gov/; HS Codes 0201, 0202, 020610, 020621, 020622, 020629, 160250.
[10] USDA Foreign Agricultural Service, "Livestock and Poultry: World Markets and Trade", 10/11/2024.

staff all the Canadian and Mexican cattle ports, at the expense of the border crossing facility operators, to support the intent of USMCA and ensure the U.S. cattle herd is protected from high-consequence diseases and pests. Most of the cattle feeding and processing capacity in North America is located in the United States, so it is natural that we import more cattle than we export. It is also important to note that live cattle imports from Canada and Mexico represent 2 percent of our overall cattle herd,[11] and only 6.5 percent of total annual slaughter.[12] Cattle imports fill seasonal lows in feedlots and packing plants and keep those segments of production running at optimal capacity. Meanwhile, our cow-calf producers on the Eastern Seaboard, the Midwest, and the Pacific Northwest capitalize on access to Canadian feedlots that are closer in distance and offer competitive pricing for calves.

Build on the Success of Previous Trade Agreements

The U.S.-Mexico-Canada Agreement (USMCA) was one of the signature trade policies of the Trump Administration and it was secured with broad bipartisan support in both the U.S. House and U.S. Senate in January 2020. NCBA actively supported the negotiation, ratification, and implementation of USMCA, and we had a strong presence at the signing ceremony at the White House. On July 1, 2020, the North American Free Trade Agreement (NAFTA) was officially dissolved, and USMCA took its place. USMCA is important because it updated NAFTA to reflect our modern economic needs while protecting the unrestricted duty-free beef access established under NAFTA that enabled our industry to build Canada and Mexico into perennial top five beef export markets. Canada and Mexico represent 21% of total U.S. beef exports, and U.S. beef exports to Canada add $35.59 per head; beef exports to Mexico add $53.19 per head. USMCA should serve as a model framework for future trade agreements, and even though there are ongoing issues with Canada and Mexico regarding multiple sectors of U.S. agriculture including Mexico's biotech restrictions and Canada's discriminatory dairy program, we are hopeful that these issues and others like it will be resolved in the upcoming review period so that we can continue to have a successful trade relationship with our neighbors.

The U.S.-Japan Trade Agreement (USJTA) was signed on October 7, 2019, and took effect on January 1, 2020. For many years, Japan has been a top export market for U.S. beef, but our access was limited due to a massive 38.5% tariff and numerous non-tariff barriers. In the wake of the Trans-Pacific Partnership, U.S. beef faced a significant disadvantage to Australia, New Zealand, and Canada who had preferential tariff rates under the Comprehensive and Progressive Trans-Pacific Partnership. Fortunately, the USJTA leveled the playing field and allowed U.S. beef to be traded at the same tariff rate as our competitors. Japanese consumers responded with such enthusiasm that their purchases of U.S. beef triggered a safeguard and led to a renegotiation of the volume levels. The successful re-negotiation of the beef safeguard was a highlight of USTR during the Biden Administration, and something that has benefitted U.S. cattle producers. As a result, annual U.S. beef sales in Japan average between $1.8 billion and $2.2 billion. The tariff rate will phase down to 9% in 10 years.

Prior to the implementation of the Korea-U.S. Free Trade Agreement (KORUS), U.S. beef faced a massive 40 percent tariff in addition to numerous non-tariff trade barriers. NCBA strongly supported the ratification and implementation of KORUS and now Korea is one of the largest export markets for American beef. When KORUS was

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[11] USDA-NASS (Total Herd) & USDA-ERS (Imported Cattle), 2,042,439 head of cattle imported from Canada and Mexico divided by total herd U.S herd of 86,700,000 head = 2.3%.
[12] USDA-NASS, Livestock Slaughter, ISSN: 0499-0544, Released 01/23/2025. Total live cattle imports from Canada and Mexico divided by total slaughter = 6.5%.

implemented in 2012, the United States exported nearly 125,614 MT of beef valued at $582 million.[13] As the 40 percent tariff declined as part of KORUS, U.S beef exports increased significantly. In 2024, U.S. beef exports reached approximately 232,000 MT valued at $2.22 billion,[14] making it the top export market for U.S. beef by value. According to estimates from the U.S. International Trade Commission, annual exports of U.S. beef were expected to increase as much as $1.8 billion once the agreement is fully implemented,[15] a benchmark that was achieved by 2019. Eliminating the 40 percent tariff has given Korean consumers greater access to safe, wholesome U.S. beef at a more affordable price. The growth in U.S. beef sales in Korea is evidence that consumer confidence has improved significantly since trade renewed in 2008. We recognize the 30-month age-based restriction on U.S. beef is a sensitive issue in Korea, but it is an issue that should not be ignored. Similar 30-month restrictions have been lifted in China, Japan, and Taiwan because they recognize the safety and quality of U.S. beef. We also need to resolve issues with the feeding requirement for cattle imported directly for slaughter from Canada. The United States has some of the most rigorous standards and highest safeguards concerning bovine spongiform encephalopathy (BSE), and we should pursue consultations with Korea to discuss removing the age restriction and strengthening science-based trade between our countries.

One of the top action items following the 2017 meeting in Mar-a-Lago between President Trump and President Xi was the restoration of U.S. beef access to China since it had been banned in 2004. U.S. beef exports significantly expanded under the Phase One Agreement when China agreed to bring its standards up to date by recognizing the U.S. traceability system, removing the BSE age restriction, removing the ban on hormones, and conducting a risk assessment on beta agonists like ractopamine. As a result, China (combined with Hong Kong) has become a $2 billion market for U.S. beef. Unfortunately, China has not fulfilled all its commitments in the agreement, and that has led to significant disruptions in recent months.

Trade Priorities: Hold Trade Partners Accountable

<u>China</u>

As part of the Phase One Agreement, China committed to adopt a maximum residue level for ractopamine, a beta agonist commonly used in cattle and swine production. China has not fulfilled its commitment, and instead, has used the detection of ractopamine as justification to reject shipments of beef and de-list numerous beef plants and cold storage facilities – some of which have been denied access for multiple years. This is a non-science-based restriction that poses no risk to consumers, yet China is using ractopamine restrictions as a protectionist measure. It is also concerning that the General Administration of Customs of China (GACC) has not renewed the registrations for multiple beef, pork, and poultry plants, which may result in hundreds of packing facilities being ineligible to ship to China.[16] In response to the implementation of U.S. tariffs on China, U.S. beef faced a 10 percent increase on March 10, taking the overall tariff to 22 percent.[17]

Unfortunately, the list of China's non-tariff barriers is not limited to beef products. China is also the leading market for bovine semen exports, accounting for $52,174,440 in sales in 2024, and a total of $365,576,267 in the past five years.[18] In February 2025, GACC notified USDA-APHIS that it must stop issuing veterinary health certificates for

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[13] U.S. Meat Export Federation, 2012 Total Beef + Variety Meats, https://www.usmef.org/export-data/export-statistics.
[14] U.S. Meat Export Federation, 2024 Total Beef + Variety Meats, https://www.usmef.org/export-data/export-statistics.
[15] USITC, "U.S.-Korea Free Trade Agreement: Potential Economy-wide and Selected Sectoral Effects", 2007, https://www.usitc.gov/publications/pub3949.pdf.
[16] USDA-Foreign Agricultural Service, "China: Livestock and Products Semi-Annual", Report No. CH2025-0041, 03/07/2025.
[17] *Id.*
[18] U.S. Department of Commerce, https://usatrade.census.gov/; HS Code 051110.

bovine semen exports, effectively closing the market for U.S. exporters. USDA-APHIS has been seeking protocol updates with China since 2022, but GACC has been unresponsive and that has led to the closure of the market. This will have a negative impact on a number of cattle producers and genetics exporters who have benefitted from access to China. While the size of the Chinese market holds promise and Chinese consumers desire our products, China is not holding to the terms of the Phase One Agreement and should be held accountable.

Australia

The U.S.-Australia Free Trade Agreement is by far the most lop-sided and unfair trade deal for U.S. cattle producers. For the past 20 years, Australia has enjoyed unfettered access to the U.S. market selling $28,759,340,461 of Australian beef to U.S. consumers.[19] At the same time, fresh U.S. beef has been banned in Australia even though we have the highest safety standards in the world. In 20 years, we have exported a whopping total of $31,145,950 of cooked beef products to Australia.

For 20 years, Australia has used a myriad of sanitary concerns and endless bureaucratic red tape to delay the approval of U.S. beef even though the United States is internationally recognized as having some of the highest food safety and animal health standards in the world. For the past few years, we have been told by the Australian government that we are in the final stages of approval, yet we continue to see delays. U.S. cattle and beef do not pose a threat to Australian consumers and Australian livestock, and this is not how allies and trade partners should behave. This is a slap in the face to U.S. cattle producers and enough is enough. If the Australians will not accept our beef products, then it is only fair that we reciprocate.

Most of the imported Australian beef is lean beef trimmings that are used in production of ground beef. However, Australia has been expanding its grain-finished production capacity, and it is shifting its focus from Asian markets to the U.S. market where grain-finished beef sales are more promising. In the past two years, Australian grain-fed beef exports have increased 220 percent in response to shortages in the U.S. market.[20] Australian Wagyu beef is a niche product that is part of the expanding Australian grain-finished beef sector, and the Australians are focusing their efforts on capturing more of the Wagyu demand in the U.S. The Australian beef industry estimates they own 48 percent of total Wagyu beef sales in the U.S., while the U.S. has 41 percent of sales. This is particularly concerning for the 1,800 members of the American Wagyu Association (AWA) who are heavily invested in the production of Wagyu beef cattle. AWA is an affiliate of NCBA, and they are concerned that Australia's unrestricted access to the U.S. market coupled with the weak Australian dollar will continue to undermine U.S. Wagyu sales in this highly competitive niche market. AWA's seedstock members have also felt pressure from growing interest in Australian wagyu genetics imports due to the weak Australian dollar. The weak Australian dollar coupled with the one-sided trade deal is not going to help the U.S. cattle herd recover any sooner. We need action.

The $29 billion trade deficit with Australia is completely unacceptable, and we need President Trump and Congress to level the playing field by holding Australia accountable and delivering full, unrestricted market access for U.S. beef exports to Australia. Furthermore, Australia no longer faces volume restrictions to the U.S. market under the U.S.-Australia Free Trade Agreement. The U.S. should consider implementing volume-based safeguards on fresh and frozen imports of beef from Australia to reflect industry concerns on imported grain-finished beef and the disadvantage of the strong U.S. dollar. Furthermore, USDA should initiate a full audit of Australian animal health

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[19] U.S. Department of Commerce, https://usatrade.census.gov/; HS Codes 0201, 0202, 020610, 020621, 020622, 020629, 160250, for years 2005-2024.

[20] "Record turn-off from Australian feedlots", Meat and Livestock Australia, 02/19/2025.

standards for cattle and food safety standards for beef and beef products. This should also take into account the rate of rejected shipments at U.S. customs over the past five years, and if necessary, increase inspection rates to 100 percent until further audits are conducted to confirm systemic problems have been resolved.

European Union

The European Union (EU) and the United States have fundamentally different views regarding food production, especially with beef. The U.S. seeks objective, risk-based, science-based terms of trade, and the EU tends to give more credence to subjective terms that are not as strongly committed to science as the determining factor. As a result, U.S. beef access is highly restricted.

We have a long and frustrating relationship with the EU. In 1981, the EU banned the use of hormones for its cattle producers, and in 1989 it banned the importation of beef produced with hormones. The U.S. (along with Canada) sued the EU in the World Trade Organization (WTO) and won. This landmark decision was a major victory for science-based trade and a major blow to the EU. The EU refused to amend or repeal its law, so the WTO authorized the U.S. to recover damages through retaliatory tariffs. After ten years of retaliatory tariffs on EU goods, the U.S. and the EU signed the 2009 Memorandum of Understanding (MOU). The MOU was a compromise in which the EU established a duty-free quota of 45,000 MT of hormone-free beef imports, and the U.S. agreed to temporarily lift retaliatory tariffs.

Unfortunately, the EU did not act in good faith and immediately began approving other countries to ship under the duty-free quota—including countries who were not part of the MOU. This hurt U.S. producers who were squeezed out by competitors from Australia, Brazil, Argentina, and Uruguay. After years of stonewalling from EU officials, NCBA and other U.S. beef industry stakeholders submitted a formal request to USTR to begin a Section 301 investigation and consider re-instating tariffs. In 2016, USTR moved aggressively and began proceedings to dissolve the MOU. This angered importers of European wine, cheese, and motorcycle parts who had enjoyed the cessation of tariffs. It also created a tough situation for the EU officials who finally understood they could no longer treat us with such disrespect.

After a couple of years of negotiation, a compromise was reached in 2019. In exchange for suspending the Special 301 investigation (i.e. not dissolving the MOU), the existing 45,000 MT quota was divided into a modified quota that established a 35,000 MT duty-free quota for U.S. beef, with the remaining 10,000 MT to be shared among Australia, Brazil, Argentina, and Uruguay. The modified MOU did not include provisions that would concede the WTO decision on hormones, and our right to retaliate remains intact.

Even with these restrictions, in 2024 we sold $266 million of U.S. beef to the European Union. Unfortunately, the EU is erecting more non-tariff barriers through the EU Green Deal that may further restrict market access – most notably two mirror clauses: Article 118 restrictions on veterinary medicines and the EU Deforestation Regulation. Mirror clauses (also called reciprocity clauses) are clauses in EU laws or trade agreements that require the operators in the EU's trading partner countries to adhere to EU standards, otherwise they may be denied access.

In June 2018, the EU adopted veterinary medicines legislation that contains the "concept of reciprocity" for antimicrobial drug use practices—commonly referred to as Article 118. Under this rule, the EU will no longer set antimicrobial resistance policies based on a risk-assessment but they will use hazard-based analysis. Lowering the scientific threshold to restrict the use of veterinary medicines could have negative impacts on animal health and will most likely be used by the European Union as another unjustified non-tariff trade barrier. Under the terms of Article 118, all countries exporting animals or animal products (meat, milk, eggs, fish) to the European Union must follow antimicrobial use guidelines from the EU and not administer any antimicrobials that are restricted from use in food-producing animals in the EU. Reciprocity is not legal under the WTO and the United States must take all necessary steps to prevent the European Union from diluting the importance of science-based trade standards.

As part of the EU Green Deal, the EU proposed import restrictions on goods from seven sensitive commodities that they claim are linked to deforestation – known as the EU Deforestation Regulation (EUDR). Cattle is one of the seven sensitive commodities, and this restriction applies to all imports and domestically-produced bovine products with the exception of dairy products and veal – two politically sensitive EU products. Once implemented, the EU will apply tariffs based on the EU's arbitrary assessment of a country's risk for deforestation. The United States has no risk of deforestation, but we will face restrictions, nonetheless. The enforcement date was delayed until 2026, but the EU Commission has not provided adequate information on how the EUDR will apply to U.S. commodities from cattle. The cost of compliance will essentially zero out any premium achieved for producing non-hormone treated cattle, and that technical trade barrier may effectively keep U.S. beef out of the European market for the foreseeable future.

The theme of supply chain accountability is one that is gaining broader support in Europe, the United Kingdom, Japan, and the United States. Some legislative proposals in Congress would extend the Lacey Act to include imported goods from deforested lands. Put simply, cattle production in the United States does not contribute to deforestation. While some U.S. policymakers may prefer to use measures like this to restrict beef imports from other countries, it would set a dangerous precedent that may be used against us in the future. By simply substituting deforestation with another subjective term, U.S. cattle producers become subject to unfair trade barriers. It is important that we commit to using objective, science-based standards at all times, and avoid following the European example of subjective trade. We need to push back on Article 118 and stand up for objective risk-based analysis in animal health standards and empower American veterinarians to determine what is the best treatment for U.S. livestock. We also need President Trump's help to remove cattle from the EUDR's list of commodities or repeal the EUDR altogether. If the Europeans are going to make it too difficult to sell U.S. beef in the European market, then we should consider opening a Section 301 investigation into these practices and determine whether the MOU should continue or be dissolved.

Brazil, Paraguay, and Colombia

Unfortunately, while the U.S. government has not expanded market access for U.S. beef exports, it approved beef access for multiple countries and did not hold trade partners accountable for questionable activity that could jeopardize the safety of U.S. consumers and the U.S. cattle herd. NCBA was the first to raise concerns about Brazil's failure to report multiple cases of atypical bovine spongiform encephalopathy in a timely manner. As described in multiple letters to USDA, Brazil's delay in timely reporting shows that Brazil was incapable of reporting in a timely manner, or they willfully withheld information until an optimal time. Either way, that is inconsistent with the high standards we require of all trade partners without exception. NCBA strongly encouraged USDA to suspend Brazilian beef imports and subject them to a thorough audit process, but USDA declined. Brazil is a growing supplier of lean beef trimmings to the U.S. market and in the past five years Brazil has sold $4.45 billion of beef[21] to U.S. consumers. Brazil has access under the "Other Country" TRQ, an annual quota of 65,000 MT that it shares with countries like Paraguay, Ireland, Japan, and the United Kingdom. In 2024, Brazil filled the annual quota on February 27. In 2025,

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[21] U.S. Department of Commerce, https://usatrade.census.gov/; HS Codes 0201, 0202, 020610, 020621, 020622, 020629, 160250.

Brazil filled the annual quota on January 17. Now that the quota is full, all countries trading under that quota will pay a 26.4 percent tariff for the rest of 2025. Unlike the other countries under the quota, Brazil's weak currency and lower cost of production will allow Brazil to absorb the tariff and continue to export beef to the U.S. market undeterred. On the other hand, Brazil has placed numerous non-tariff restrictions on U.S. beef, and we have only managed to sell $21 million to Brazilian consumers over the past five years.[22] While the trade deficit should clearly be addressed, our larger concern is the massive risk that Brazil poses to the health of U.S. consumers and the U.S. cattle herd.

Similarly, NCBA raised numerous concerns about the approval of Paraguayan beef imports due to the questionable risk assessment based off 9-year-old site visits. Like Brazil, NCBA called for a delay in Paraguay's access until new site visits are conducted to confirm Paraguay's claim. Again, USDA declined despite strong industry opposition and concerns over the history of FMD in Brazil and Paraguay. We cannot afford to jeopardize the health and safety of U.S. consumers and the U.S. cattle herd with trade partners who have questionable reputation and unverified safeguards. We must hold Brazil and Paraguay accountable, and that must start with a suspension of beef imports subject to a thorough audit and new site visits to confirm the effectiveness of their safeguards and practices.

Suspending trade with Brazil and Paraguay and subjecting them to a thorough audit process may be the only way to get their attention and remind all trade partners that the U.S. will enforce our high standards without exception. Colombia has also applied for beef access to the United States. This is concerning because Colombia has active cases of FMD and shares a porous border with Venezuela, a hot bed for FMD. Colombia is a key ally to the United States, but that should not be a justification to look the other way on Colombia's animal health vulnerabilities and the risk that will pose to the U.S. cattle herd. Colombia's application should be delayed until thorough audits are conducted for food safety and animal health equivalence in full compliance with GAO recommendations.

Enforce USDA's Product of USA Label Requirements

While imports account for roughly 12 percent of the beef consumed by Americans, it is important for U.S. cattle producers to differentiate our products in the marketplace. NCBA was pleased that USDA listened to our concerns and closed the loophole created by the generic origin labels previously allowed by USDA-FSIS. As of January 1, 2026, retailers and packers will no longer be able to use the old generic origin labeling claims that caused consumer confusion and could have allowed imported beef to carry a Product of USA claim. Under the new, voluntary, and trade-compliant labeling requirements, beef products can only carry a Made in USA or Product of USA claim if the product is from an animal that is born, raised, harvested, and processed in the USA. The new requirements also allow for other qualified claims such as raised, harvested and processed in the USA. NCBA believes these voluntary, trade compliant origin labeling claims will help cattle producers differentiate our products in the domestic market and capitalize on consumer demand for local, state, and regional marketing claims.

Trade Priorities: Opportunities for U.S. Beef

America's cattle producers will greatly benefit by holding our trade partners accountable and leveling the playing field for U.S. beef exports, and we must continue to look for opportunities to reach new consumers and build stronger relationships.

United Kingdom

It was discouraging to see the Biden Administration step back from full engagement in trade negotiations with our oldest ally, the United Kingdom (U.K.). Instead of securing a robust, market-based, and science-based trade agreement with the United Kingdom and leading the way for science-based trade, we sat on the sidelines while our competitors in Australia and New Zealand gained a competitive advantage for their products. Even Canada made progress on bilateral negotiations with the U.K. until talks collapsed in January 2024. More importantly, the lack of

[22] *Id.*

progress on U.K.-U.S. negotiations may have encouraged the U.K. to adhere to restrictive EU policies for food production instead of adopting more science-based standards. Regardless, the ongoing European supply chain disruptions and subsequent rise of food security concerns can be resolved by securing stronger economic ties with the United Kingdom with a trade agreement.

Cattle producers in the U.K. and the United States have very similar values when it comes to raising cattle and producing beef. We both prioritize animal health and welfare (Beef Quality Assurance Program[23] and Red Tractor[24]), we both prioritize sustainable production practices to care for land and water, our farms are family-owned small businesses, and we prioritize science-based standards. We have some of the safest, highest standards in the world, and our consumers benefit from those efforts.

Unfortunately, the annual Hilton Quota for U.S. beef in the UK is limited to 1,000 MT with a 20 percent tariff,[25] and the U.K. is limited to a small share of the "Other Country" beef import quota[26] that is dominated by Brazilian beef. There is an opportunity for complementary beef trade, but not outside of a trade agreement. If we want stronger supply chains with the U.K., we must prioritize a bilateral trade agreement between our countries. NCBA is encouraged to hear President Trump's commitment to strengthening trade with the U.K., and we will continue to work with Congress in support of a comprehensive bilateral trade agreement with the United Kingdom. We need President Trump and Congress to prioritize trade negotiations with strong allies like the United Kingdom, where high-quality U.S. beef will be competitive. We need to make sure that agriculture is included in a robust trade agreement. This is a great opportunity to establish science-based trade standards with a former EU market.

Vietnam

In 2024, we sold roughly $43 million of U.S. beef in Vietnam, a 65 percent increase from 2023. Unfortunately, U.S. beef faces a 30 percent tariff while our competitors from Australia, New Zealand, and Canada have duty-free access through the CPTPP. Duties on U.S. beef should be eliminated in any future trade agreement.

Thailand

In 2024, we sold roughly $11 million of U.S. beef in Thailand.[27] U.S. beef faces a 50 percent tariff and that prevents us from competing with Australia and New Zealand who both have trade agreements with Thailand. Duties on U.S. beef should be eliminated in any future trade agreement.

Conclusion

The U.S. cattle and beef industry has greatly benefitted from robust trade agreements that leveled the playing field for U.S. farmers and ranchers and improved many rural economies across our country. However, not all trade partners have lived up to their commitments and must be held accountable. At the same time, the U.S. cannot afford to sit on the sidelines while our competitors negotiate trade deals and set the rules of trade without us. We need to lead the way and secure a brighter future for America's farmers and ranchers. Thank you, Mr. Chairman.

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[23] Beef Quality Assurance, www.bqa.org, accessed 03/07/2025.
[24] Red Tractor Program, www.redtractor.org.uk, accessed 03/07/2025.
[25] U.S. Meat Export Federation, https://www.usmef.org/export-data/import-duties-by-country, accessed 07/21/2023.
[26] USDA-Foreign Agricultural Service, https://www.fas.usda.gov/data/reviewing-tariff-rate-quotas-us-beef-imports, accessed 07/21/2023.
[27] U.S. Department of Commerce, https://usatrade.census.gov/; HS Codes 0201, 0202, 020610, 020621, 020622, 020629, 160250.