



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and editors  
Re: U.S.-Russian agreement on U.S. pork, beef and poultry  
Da: Monday, Sept. 29, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following statement following the announcement of an agreement between the United States and Russia on market access for U.S. pork, beef, and poultry:

"I'm very pleased by today's announcement of an agreement between the United States and Russia to provide assured access for U.S. pork, beef, and poultry into the Russian market. Russia has impeded access to our agricultural products for too long. I've made my views clear on the need to resolve this issue to both U.S. and Russian officials. I look forward to seeing the specifics of the agreement. Iowa's farmers depend on export markets, and I know Russian consumers will welcome stable supplies of Iowa's pork and beef. I commend President Bush's persistence in getting these trade problems solved. With the adoption of responsible trade policies, such as this agreement, Russia will be in a better position to integrate further into the international economy. I welcome closer relations between our two nations. I'm pleased we appear to finally be making some headway on several long-standing agricultural disputes. I hope this is indicative of even better things to come. Of course, with any agreement, the key is to ensure that the terms are followed and commitments upheld."

The news release from the Office of the United States Trade Representative on the agreement follows.

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Washington, D.C. 20508

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## U.S.-Russia Reach Agreement on Poultry, Pork and Beef Market Access

WASHINGTON -- The United States and Russia have reached an agreement in principle on the parameters for market access for U.S. poultry, pork and beef. This agreement represents a significant step forward in U.S.-Russian economic relations.

"This agreement ensures American poultry, pork and beef exports to Russia at historical levels and adds room to grow. American farmers and Russian consumers both win here," said U.S. Trade Representative Robert B. Zoellick. "I'm pleased we were able resolve a trade problem in a way that offers mutual benefits in the aftermath of the Cancun impasse. This agreement also represents a positive step that will improve the overall context of Russia's WTO accession process."

Ambassador Allen Johnson, Chief U.S. Agriculture Negotiator and Russian Deputy Minister of Economic Development and Trade Maxim Medvedkov agreed at a meeting in Japan on new, more liberalizing growth parameters for U.S. exports of poultry, pork and beef. Both countries will now need to take the appropriate steps to implement the accord.

"This agreement provides another opportunity for U.S. agricultural producers and industries to benefit from trade," said Johnson. "Agricultural trade issues are always difficult, but by working with key Members of Congress and industry at home and in other countries abroad, solutions can be found. This is important for U.S. agriculture, because by solving problems related to beef, pork and poultry, you also help farmers who produce feed grains and soybeans."

The negotiations for this new accord were precipitated by the Russian Government's introduction of restrictions on global imports of poultry, pork and beef in April and May of this year. The new agreement establishes tariff-rate quota (TRQ) mechanisms whereby the United States can export a specified quantity of a given commodity at a relatively low tariff; any quantity exported above this allocation would be subject to a higher tariff.

Russia is the largest export market for U.S. poultry and the 5th and 7th largest markets for U.S. pork and beef, respectively. U.S. poultry exports reached approximately \$700 million in 2001, but totaled less than \$400 million in 2002 because of Russian restrictions. Pork and beef exports have approached \$100 million in recent years. The agreement preserves or expands U.S. market shares for poultry, pork and beef exports based on historical levels and provides for growth in all of these markets.

The new agreement on poultry, pork and beef market access includes a number of elements related to the establishment and administration of the expanding TRQs. The agreement includes: the time period for the TRQs; TRQ quantities; U.S. allocation of the overall TRQs; U.S. market shares; growth rates for the TRQs; and in- and out-of quota duties. The agreement encompasses issues related to the administration of the TRQs including: import licensing and permits, minimum import prices, implementation issues and a consultative mechanism.

The National Pork Producers Council, National Cattlemen's Beef Association, National Chicken Council, USA Poultry and Egg Export Council, American Meat Institute, and U.S. Meat Export Federation are all in support of the new accord.

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