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Contact: Communications Office  
(202) 224-4515

## **BAUCUS SECURES ADMINISTRATION'S COMMITMENT TO EXPAND U.S. BEEF ACCESS IN KOREA**

### *Finance Chair Hails Administration Plan to Fund U.S. Beef Promotion in Korea and Hold Consultations on U.S. Beef Market Access*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) secured a crucial commitment today from the Obama Administration to take important steps to expand access for U.S. beef in Korea. Baucus strongly praised Agriculture Secretary Tom Vilsack's announcement that the U.S. Department of Agriculture (USDA) will increase funding dedicated to promote U.S. beef sales in Korea. Baucus also received a commitment today from U.S. Trade Representative (USTR) Ron Kirk that Kirk will request consultations with Korea on the full application of the 2008 U.S.-Korea beef protocol once the U.S.-Korea Free Trade Agreement (FTA) enters into force. The protocol, a separate agreement from the FTA, addresses import health requirements that affect market access for U.S. beef and beef products. These consultations are part of Baucus's continued efforts to increase opportunities for U.S. beef exporters.

**"Our long fight for strong, science-based trade rules around the world to open foreign markets for American ranchers – and keep them open – took big steps forward today,"** said Baucus. **"Korea's age restriction on U.S. beef is both scientifically unjustified and inconsistent with international standards. To address this barrier, I fought both for more resources to promote U.S. beef in Korea and for consultations with Korea on the full application of the import protocol, which calls for full market access for U.S. beef. Today, working with the Administration, we delivered. This funding will help educate and increase confidence among Korean consumers about the safety and quality of U.S. beef, and these consultations will provide an opportunity for the two governments to discuss full application of the beef protocol, leading us toward increased U.S. beef exports that help support jobs here at home."**

**"Senator Baucus has always been a powerful and effective advocate for Montana ranchers,"** said Errol Rice, Executive Vice President of the Montana Stockgrowers Association. **"It wasn't easy but Senator Baucus kept fighting for a better deal. Thanks to his efforts, Korea is a fast-growing market for us, and we are one step closer to our goal of full access to the Korean beef market."**

The United States Department of Agriculture announced today that it has awarded an additional one million dollars of Market Access Program (MAP) funds in 2011 to the U.S. Meat Export Federation (USMEF) that will be used to promote U.S. beef sales in Korea. In addition, USDA welcomed a new initiative from USMEF to implement a five-year market promotion strategy for U.S. beef in Korea. USMEF will request an additional \$10 million of USDA market promotion funds for this initiative in its Unified Export Strategy for 2012, which is due on May 16, 2011. MAP funding for 2012 will be awarded after all of the applications are reviewed and the overall level of MAP funding for 2012 is determined. USMEF's proposal would reinforce and support the Administration's efforts to remove market access barriers to U.S. beef in Korea and the USDA stated today that it would favorably consider requests that focus on these priorities.

Chairman Baucus also [received a commitment today from U.S. Trade Representative Ron Kirk](#) that the Administration will request consultations with Korea under Article 25 of the April 2008 beef import protocol agreed to by the United States and Korea once the U.S.-Korea FTA goes into effect. The protocol provides access to the Korean market for U.S. beef and beef products from cattle of all ages, consistent with World Organization for Animal Health (OIE) guidelines. In response to public concern in Korea, however, the two governments agreed in June 2008 to limit imports from U.S. beef to cattle less than thirty months of age, as a transitional measure until Korean consumer confidence improved.

Since 2008, Korean consumers have sharply increased their purchases of U.S. beef. In 2010, U.S. beef exports to Korea reached \$518 million, an increase of 140 percent over the previous year, and accounted for more than 33 percent of Korea's beef imports. U.S. beef and beef products are being distributed through a wide range of channels, including large and small retailers, restaurants, and hotels. Ambassador Kirk has underscored that achieving full market access for U.S. beef and beef product exports to Korea remains a top priority.

Under Article 25 of the 2008 protocol, either government may request consultations with the other government regarding the interpretation or application of the terms of the protocol. The letter from Ambassador Kirk states that the Administration will request consultations with Korea once the U.S.-Korea trade agreement enters into force to discuss the full application of the protocol. Pursuant to Article 25, those consultations shall be held within seven days of the consultation request.

Chairman Baucus has withheld his support for the U.S.-Korea FTA due to his concerns about unjustified barriers for U.S. beef in the Korean market. During a Senate Finance Committee hearing on March 9, 2011, [Baucus asked USTR Ron Kirk to request consultations with Korea](#) to develop a plan to fully open Korea's market to all ages and all cuts of U.S. beef. Baucus has also asked for additional funding to promote U.S. beef in Korea. As a result of today's announcement on funding and consultations, Senator Baucus will support the Korea FTA as it moves through the Senate and will work with the Administration on a package of trade measures including the pending FTAs with Korea, Colombia and Panama, as well as renewal of Trade Adjustment Assistance and key trade preference programs.

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