



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 6/4/2003

GAIN Report #RO3010

Romania

Product Brief

New Opportunities for U.S. Beef Exporters

2003

Approved by:

Brian Goggin

U.S. Embassy

Prepared by:

Regional FAS Staff

Report Highlights:

A new health certificate, recently agreed to by USDA's Food Safety Inspection Service (FSIS) and the Romanian Veterinary Authority (RVA), will permit exports of U.S. beef to Romania. Crucial to the agreement is the recognition that beef produced with synthetic hormones poses no health risk for Romania's consumers. The agreement will provide new export opportunities for U.S. high quality beef, as well as trimmings for processing and variety meats.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Sofia [BU1], RO

Romania Recognizes Safety of U.S. Beef and Permits Imports	Page 2 of 5
International Agreements, Veterinary Evaluations Play an Important Role . .	Page 2 of 5
EU Policy Inconsistent with International Agreements	Page 3 of 5
Certificate Content	Page 3 of 5

Romania Recognizes Safety of U.S. Beef and Permits Imports

On May 6, AgBucharest successfully concluded with the Romanian Veterinary Authority (RVA) the final version of a Food Safety Inspection Service (FSIS) health certificate that will permit U.S. beef to be exported to Romania. and Japan.

The United States has long been a supplier of beef tripe (valued at approximately \$1.5 million annually) to Romania, but until now beef cuts and other beef offals have not been imported. Export value of beef cuts and offals as a result of this agreement may total an additional two to three million dollars. Exports of U.S. beef are permitted to other Eastern European countries, including Bulgaria, Poland, and Russia. Details regarding U.S. beef trade can be found on the Foreign Agricultural Service website at <http://www.fas.usda.gov>.

There were only a few countries accepted to export beef meat to Romania in 2002, mainly due to restrictions based on Bovine Spongiform Encephaly (BSE). According to Romanian customs data, the most significant beef imports in CY 2002 originated from Hungary (\$4.6 million), Poland (\$3 million) and Austria (\$3.3 million). The BSE restriction in conjunction with high prices in these countries, have resulted in insignificant quantities imported in Romania in the first three months of the current year. The duty level for WTO members is 20%. Although temporary (that is, for the first half of 2003) the reduced customs duty for bovine meat of 20% is expected to be extended for the entire year.

International Agreements, Veterinary Evaluations Play an Important Role

International trade agreements and standard setting organizations played an important role in providing support for the opening of the Romanian market for U.S. beef cuts and offals. The WTO's Agreement on Sanitary and Phytosanitary Measures (SPS) commits Romania to accept the "equivalency" of measures taken by the United States (and other WTO members) to ensure the safety of beef and other meat products.

In order to develop a recognition of food safety equivalency between U.S. beef and Romanian beef, the United States had to "objectively demonstrate" that U.S. beef provided an appropriate level of consumer protection. AgBucharest provided extensive data and evaluations of the U.S. beef production system to the RVA. The RVA evaluated the U.S. system, including the results of scientific studies and reports on the U.S. residue testing program. They accepted the equivalency of U.S. beef, determining that it provides a level of consumer protection at least as high as that provided by Romanian beef. .

EU Policy Inconsistent with International Agreements

Romania's policy of recognition of international safety standards is consistent with the WTO agreements. In contrast, the EU was judged to have violated the WTO's SPS Agreement when it adopted trade measures to prevent shipments of U.S. beef produced with synthetic hormones. Despite recommendations from the European Commission and several scientific advisory organizations (including the World Health Organization and the FAO's Codex Alimentarius), the European Parliament enacted trade measures that banned U.S. beef produced with synthetic hormones in 1994.

As a result of this measure, the EU was determined to be in violation of WTO rules. A WTO panel ruled in 1999 that the EU had maintained its ban on U.S. beef without scientific justification. When the EU refused to open its markets, the U.S. was permitted by WTO rules, to apply punitive tariffs on EU products valued at approximately \$110 million. The EU has yet to comply with the WTO ruling, and has funded 17 independent studies on the use of synthetic hormones in beef production. None of these studies has effectively refuted the earlier scientific studies that determined that synthetic hormones used in beef production do not pose a health risk to consumers.

Certificate Content

The health certificate will be required on all shipments of U.S. beef, and are currently being printed and distributed to FSIS inspectors throughout the United States. FSIS authorities expect that it will take approximately 60 days to complete distribution; after then, inspections and shipments can proceed.

The details of the certificate are provided below:

The health certificate should provide the following information:

- name and address of the exporter
- name, address and number of the establishment registered for exports
- name and address of the importer
- country of origin
- means of transportation
- date and place of issuing of the document
- name and signature of the officially authorized state official issuing the document
- original stamp of the state veterinary service.

The official veterinarian signing the beef health certificate certifies the following:

1. The State from which the bovines are originated has been free for twelve months from Rinderpest, Contagious Bovine Pleuropneumonia and Foot and Mouth Disease and during the same period no vaccinations against these diseases have taken.

2. The fresh meat is obtained from bovine animals:

- which come from holdings in which there has been no outbreak of Foot and Mouth Disease in the previous 30 days and around which within a radius of 10 km there has been no case of Foot and Mouth Disease for 30 days;
 - received ante and post mortem inspection and were found healthy and free of clinical signs of disease; no pathological lesions of brucellosis, tuberculosis and enzootic bovine leucosis were found during postmortem inspection;
 - which fulfill the health conditions in the United States for the production of meat for human consumption, and have been transported in the United States in compliance with all U.S. laws and regulations regarding transportation of animals;
 - for which the feeding of ruminant-derived meat and bone meal to ruminants has been banned and the ban has been effectively enforced;
 - which have been identified by an identification system enabling them to be traced to the herd of origin if necessary. The United States is free of BSE.
3. All cattle must be slaughtered and processed in a federally inspected establishment.
4. The fresh meat was obtained under conditions that are equivalent with the Council Directives 64/433/CEE and 72/462/EEC, transposed into Romanian legislation, therefore considered as such to be fit for human consumption.
5. The fresh meat does not contain residues above the acceptable limits, according to a monitoring plan at least equivalent with those provided for in Directive 96/23/EEC, transposed into Romanian legislation.
6. The United States meets or exceeds all of the international guidelines to be considered free of BSE.
7. The label of the packed meat bears a health mark proving also that the meat comes from animals slaughtered in slaughterhouses approved by the competent authority and eligible for export to Romania.
8. The meat was labeled according to U.S. regulatory requirements.

The health certificate includes also provisions regarding the animal welfare, according to which the meat is derived from animals which have been treated in the slaughterhouse before and at the time of slaughter and killed in accordance with the conditions equivalent to Council Directive 93/119.

Marketing Opportunities

There are good opportunities for U.S. beef shipments to Romania, both for use in processing, for retailing, and for restaurants. If the product follows the pattern developed in other eastern European countries, U.S. beef cuts will find a ready market in top quality restaurants. For processing, products such as trimmings-used to make hamburgers—and livers, will also find a ready market. For retailing, there are several international hypermarket chains operating in Bucharest that feature high quality beef cuts. Regarding product identity, a recent survey conducted by AgBucharest indicates that consumers lack knowledge of U.S. beef. Furthermore, there is a strong preference for locally-produced products. There are reasonably strong positive associations, however, with U.S. products that may prove beneficial in a marketing effort in Romania.

The RVA's agreement to permit U.S. beef is based on recognition by the RVA that U.S. beef poses no health risk to Romania's consumers. U.S. beef is consumed by hundreds of millions of consumers in North and South America, Asia, and Europe without any adverse health impacts. The United States is the second largest exporter of beef in the world, behind only Australia, with shipments valued at approximately \$1.1 billion in 2002. Primary destinations for U.S. beef exports are Mexico, Russia, Korea, and Japan.