

**Voluntary Report** – Voluntary - Public Distribution

**Date:** July 02,2020

**Report Number:** CH2020-0097

**Report Name:** US-China Economic and Trade Agreement Brings Welcome Changes for US Pet Food Exporters

**Country:** China - Peoples Republic of

**Post:** Beijing

**Report Category:** Trade Policy Monitoring

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**Report Highlights:**

The implementation of the U.S.-China Economic and Trade Agreement resulted in several changes to the process of importing U.S.-origin pet food into China. While pet food products still need to be licensed by China's Ministry of Agriculture and Rural Affairs and facilities still need to be approved by the General Administration of Customs, there were new market access changes, especially to the use of animal-based feed ingredients. Another significant change is that China has committed to complete import licensing and facility registration within specific time frames. This report highlights the new changes and how they fit into the existing regulatory scheme outlined in GAIN Report CH15062: Roadmap to China's Challenging New Feed Regulatory System.

## Executive Summary:

China has a complex system of market access, product registration, and facility registration requirements that imported animal feed products and ingredients must navigate to be eligible to export to China. While many of these requirements also apply generally to other animal feed products and additives, the focus of this report is on imported pet food with animal-origin ingredients. Pet food is defined as commercially processed, finished-food (including snacks, treats, and chews) intended for feeding to companion animals (e.g., dogs, cats, or other non-livestock species kept as household pets) and includes dry, canned and wet, and semi-moist products.

Published on December 14, 2015, FAS GAIN Report [CH15062](#) lays out the process for importing animal feed ingredients into China, including pet food. The basic requirements for market access, import registration licensing (also referred to as product registration), and facility registration still apply. While the United States and China had a mechanism in place to approve pet food facility registrations, there were challenges with implementation. Under the U.S.-China Economic and Trade Agreement (ETA), China committed to streamline that process and to continue to accept U.S. pet food facilities registered with the Animal and Plant Health Inspection Service. Significant other commitments under the ETA include:

- Restored market access for U.S. poultry and poultry products (including their use in animal feed, including pet food);
- Expanded market access for U.S. beef and beef products (including their use in pet food),
- Specific timelines for facility registration;
- Elimination of PCR testing on all U.S. pet food containing ruminant products and limiting PCR testing on non-ruminant products to risk-based testing; and
- New guidelines for using raw materials imported from third-party countries.

The APHIS IRegs website details the requirements for product exports to China and is located here: [https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/export/iregs-for-animal-product-exports/sa\\_international\\_regulations/sa\\_by\\_country/sa\\_c/ct\\_product\\_china](https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/export/iregs-for-animal-product-exports/sa_international_regulations/sa_by_country/sa_c/ct_product_china). For specific information on pet food export requirements, please see:

<https://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/ch-pet-food.pdf>. In addition, APHIS has prepared a new export certificate specific to pet food with animal-origin ingredients, accessible here: <https://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/ch-pet-food-cert.pdf>.

Lastly, pet food is one of many products approved for cross-border e-commerce in China. Depending on the amount of product to be exported to China, cross-border e-commerce offers some unique advantages over the traditional customs clearance process. Please see FAS GAIN Report [CH2019-0148: Using the Crossborder Ecommerce Channel to Increase US Food Imports to China](#).

While this report focuses on the new market access changes for U.S.-origin pet food resulting from the ETA, many of the same updates also apply to other animal feed ingredients. Please check the GAIN system for updates or email [agbeijing@state.gov](mailto:agbeijing@state.gov) for more information.

## **SCOPE OF NEW PET FOOD CHANGES**

Prior to the ETA, U.S. animal feed exports to China, including pet food, were not allowed to contain ruminant-derived ingredients. The export regulations for animal feed containing animal-origin ingredients are described in the following APHIS guidance document ([Export to China: Non-Ruminant Feeds, Feed Ingredients and Fats](#)). In accordance with the ETA, changes were made specifically for U.S. pet food exports containing animal-derived ingredients. Pet food is defined as commercially processed, finished-food (including snacks, treats, and chews) intended for feeding to companion animals (e.g., dogs, cats, or other non-livestock species kept as household pets) and includes dry, canned and wet, and semi-moist products. Following the ETA, APHIS published a new guidance document specifically for pet food ([Export to China: Pet Food \(including treats and chews\) containing animal-origin ingredients](#)). For animal feed products that do not meet the definition for pet food above, but contain animal-derived ingredients, these products still follow the APHIS guidance in the Non-Ruminant Feeds, Feed Ingredients and Fats document.

For animal feed products that do not contain animal-derived ingredients, different regulatory authorities exist. Please see FAS GAIN Report [CH15062](#) for this broader overview of animal feed exports. In addition, interested parties should check the FAS GAIN system for ongoing updates to other animal feed products.

## **MARA IMPORT REGISTRATION LICENSE**

China's former Ministry of Agriculture (MOA) was renamed in 2018 as the Ministry of Agriculture and Rural Affairs (MARA). This ministry is responsible for the production, marketing, and use of animal feeds within China. Every animal feed product or ingredient used in animal feed must be listed in MARA's Feed Ingredient Catalogue. The most recent catalogue is available here: [http://jiuban.moa.gov.cn/zwillm/zcfg/nybgz/201206/t20120614\\_2758749.htm](http://jiuban.moa.gov.cn/zwillm/zcfg/nybgz/201206/t20120614_2758749.htm).

Most imported feed ingredients must also receive an import registration license (进口登记证), also referred to as a product registration. MARA uses their own classification of products and almost all products within this classification must be registered, including pet food. This includes premixes, concentrates, compound feeds, supplementary feeds, some "single feed ingredients," and feed additives. Please see [CH15062](#) for a complete list. This registration process is very technical and can take several months. Unless manufacturers have China-based personnel, it is recommended to work with a consultant who has experience navigating the MARA product licensing process.

Below is a brief description of the current process:

1. The overseas manufacturer submits the application form to begin the registration process. There is no fee for this application. The application portal is here: <http://xzsp.moa.gov.cn/login.ered?reqCode=init> (website in Chinese).
2. Often, the U.S. manufacturing facility designates a China-based agent and works with them to apply for the import registration license. The designated agent must submit a letter of delegation and a qualification certificate. If a U.S. enterprise has a representative office established in China, then an original letter of delegation and a copy of the representative office registration license should be provided. If a U.S. manufacturer uses a local agent in China, an original letter of delegation and a copy of the corporate business license of the agent should be provided.
3. Accompanying the application is a dossier of required information. All documents must be translated into Chinese. The dossier must include:
  - Approval certificate for production and use issued by the relevant competent authority (e.g., the U.S. Food and Drug Administration, state authorities, etc.);
  - FDA “Certificate of Free Sale” (for more information, please see FDA’s website [here](#));
  - Ingredient list, including origin (if ingredients are sourced from outside of the United States, then include the relevant registration documents issued by the country of origin);
  - Description of product composition, physical and chemical features;
  - Scope of product use and instructions;
  - Description of manufacturing process, including a process flow chart;
  - Description of quality standards, test methodologies, and testing reports (done by or at the behest of the manufacturer);
  - Original label and sample label in Chinese;
  - Package size, packaging description, shelf life, and storage/handling instructions;
  - For micro-bioorganisms or fermented products, the bacteria strain number issued by the competent authority should also be provided.
4. A product sample will likely be required. The manufacturer or agent should deliver three 500-gram samples from one batch to a MARA-designated laboratory. There are no fees for these tests.
5. The laboratory notifies MARA of the test results and sends a copy to the facility’s agent. Based on past experience, this testing process can take more than six months, depending on the complexity of the product and the nature of the tests.

6. Upon a positive report from the laboratory, MARA prepares the license and notifies the agent to collect the license.

The process of obtaining an import license with MARA is extensive and often takes longer than six months. In accordance with the ETA, China has committed to complete the product licensing for new feed products within nine months. Import licenses are valid for five years, after which they must be renewed. The renewal process is similar to the initial application product but is generally quicker because product samples and testing are not usually required. Each exporter must provide a copy of this license for each shipment. GACC port officials will check to make sure that relevant animal feed products are accompanied by a valid MARA import license.

On December 4, 2019, MARA issued Announcement No. 227: “Establishment of Consultation Service Working System for the Examination and Approval of Feed Ingredients and Feed Additives.” This announcement provides guidance on how to obtain a technical consulting service from MARA for applicants of new feed and feed additives. There is no charge for this consulting service. For more information, please see FAS GAIN Report [CH2020-2057](#) (Announcement No. 227 begins on page 16). It is not known how long this consulting service will be available.

On February 13, 2020, MARA announced temporary measures for animal feed licensing due to coronavirus disruptions. Please see this [link](#) for the full announcement (in Chinese). The following provisions may be applicable. It is not clear when the provisions in this announcement will be cancelled.

1. For expiring animal feed licenses that are unable to complete the renewal process on time due to coronavirus, the renewal requirement could be postponed until after the epidemic is over [Note: the announcement does not specify how MARA will determine when the epidemic is over].
2. For applications that have been submitted, but have not completed the product testing requirements due to coronavirus, the testing requirement can be temporarily exempted and the application approved on time.

## **GACC FACILITY REGISTRATION**

Decree 118, promulgated by the former General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and now implemented under GACC regulations, requires that all imported feed products be sourced from manufacturing facilities registered with GACC.<sup>1</sup> An overseas facility must appear on GACC’s list before it can manufacture pet food eligible for export to China. Please note, obtaining the import license is not a prerequisite to be registered with GACC, nor vice versa; they are independent processes. GACC has compiled the registration lists for all countries [here](#) and the U.S. list is [here](#) (Attachment 13).

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<sup>1</sup> Note, prior to the ETA, APHIS would inspect and approve warehouses involved in the export of animal feed products. However, following the ETA, APHIS is only required to inspect and approve manufacturing facilities.

Per the ETA, U.S. pet food manufacturing facilities intending to produce pet food with animal-origin ingredients for export to China must first be inspected and approved by APHIS Veterinary Services (VS) prior to export and annually to maintain approval to export. For more information about the APHIS registration process, please see: <https://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/ch-pet-food.pdf>. Please address specific questions to the appropriate local VS field office: [https://www.aphis.usda.gov/animal\\_health/contacts/field-operations-export-trade.pdf](https://www.aphis.usda.gov/animal_health/contacts/field-operations-export-trade.pdf).

New facilities will receive an APHIS approval number after APHIS inspection and approval. Facilities do not need to be inspected by GACC as part of this initial approval process. Facilities may still be subject to a GACC inspection as part of a risk-based, representative sample of the U.S. pet food safety regulatory system.

APHIS then submits the information to GACC, and GACC assigns the facility a Chinese approval number and publishes the information on its website, [here](#). A manufacturing facility must be listed on GACC's website, for pet foods they produce to be eligible for export.

APHIS will submit facility updates to GACC on a monthly basis and GACC will update its website within 20 working days of receipt. Once GACC updates its website, APHIS will notify the facility. It is the responsibility of the facility to confirm their information is listed accurately on the Chinese website and this may be verified through the Chinese importer.

## **UPDATES FROM THE U.S.-CHINA ECONOMIC AND TRADE AGREEMENT**

In accordance with the ETA, China has committed to a number of measures expanding access for U.S.-origin products, including pet food. Several of those commitments have already been met, while others are still being implemented. Generally, these changes fall into two categories: market access and entry requirements.

### *Market Access*

In the past, China banned U.S.-origin poultry, beef, and associated products due to animal health concerns. In accordance with the ETA, China lifted restrictions on the inclusion of bovine and poultry material in pet food. Now, pet food intended for export to China may contain any U.S.-origin bovine (cattle and bison) and poultry ingredients authorized for domestic pet food production. In addition to bovine and poultry, China permits the inclusion of animal-origin ingredients derived from livestock (swine and ruminants), farmed terrestrial animals, aquatic animals (farmed or wild-caught), and bees. China still does not allow ingredients derived from wild terrestrial animals, reptiles, amphibians and insects other than bees.

Under the ETA, China agreed to allow the importation of U.S. pet foods with animal-origin ingredients from a 3<sup>rd</sup>-country as long as the ingredients are legally imported into the United States, meet U.S. domestic requirements for inclusion in pet food, and are traceable to the country of origin. Imported ingredients are allowed with the exception of certain ruminant materials. Sheep/lamb and goat ingredients must be of Australian/New Zealand origin. Bovine dairy, bovine gelatin, bovine collagen, and bovine tallow with maximum level of insoluble impurities of 0.15% by weight may be legally

imported from any country. All other imported bovine materials must be legally imported from one or more of the following countries: Argentina, Australia, Chile, Columbia, Costa Rica, Mexico, New Zealand, Nicaragua, Panama, Paraguay, Peru, and/or Uruguay.

### *Entry Requirements*

Prior to the implementation of the ETA, China tested all U.S.-origin pet food using Polymerase Chain Reaction (PCR) at the port of entry to ensure that the product did not contain ruminant-derived ingredients. Since the ETA, China has agreed to stop using PCR testing on pet foods containing ruminant-derived ingredients. In addition, for all other U.S. pet foods containing non-ruminant animal-derived ingredients, China has agreed to only use PCR testing in a risk-based representative sample.

APHIS has published a new export certificate for pet foods containing animal-origin ingredients intended for export to China. The fillable export certificate is available here: <https://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/ch-pet-food-cert.pdf>. The certificate may not be modified. For specific instructions on filling out this certificate, please see: <https://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/ch-pet-food.pdf>. Please note, the more general “Export Certificate for Animal Products” VS Form 16-4 may not be used for pet food with animal-origin ingredients exported to China.

### **CROSS BORDER E-COMMERCE**

On August 31, 2018, the Standing Committee of the 13th National People's Congress passed the E-Commerce Law of the People's Republic of China. The law entered into force on January 1, 2019. USDA GAIN report “China Passes E-Commerce Law” contains an unofficial translation of the E-Commerce Law. Through a series of policy announcements beginning in 2014, former AQSIQ established the Cross Border E-Commerce (CBEC) import channel. CBEC consists of importing certain products directly from foreign suppliers through an internet platform registered by AQSIQ (now GACC), and only through certain CBEC pilot ports of entry. Pet food is a product specifically designated as eligible for CBEC. For more information, please see FAS GAIN Report [CH2019-0148: Using the Cross Border E-Commerce Channel to Increase US Food Imports to China](#).

Importing pet food through CBEC may offer some advantages over the traditional customs clearance process. Import duties and value-added taxes are waived, and the consumption tax is reduced by thirty percent. Product compliance inspections within CBEC pilot zones are similar to that of passenger baggage inspections, which are on average shorter and less restrictive (i.e., lower customs sampling rates). Pet food imported through the CBEC is exempt from submitting an import license to GACC. Finally, secondary Chinese language labels do not need to be affixed physically onto the products; exporters can keep the original foreign packaging and labeling.

Since CBEC remains a government trial policy, individual pilot zones have been allowed flexibility in the way they inspect products, collect tax, and follow national registration policies for imported products. Please check with your Chinese importer for specific provisions applicable to the CBEC you intend to export through.

## TARIFF TREATMENT

In addition to the MFN tariffs, China has assessed retaliatory import tariffs on a number of U.S. products, including pet food. Please see the table below for the most current tariff treatment.

HS Code	Description	MFN	Additional Duties	Total
23091010	Dog Or Cat Food, For Retail Sale, In Airtight Containers	4%	35%	39%
23091090	Other Dog Or Cat Food, For Retail Sale	4%	25%	29%
23099010	Prepared Feed Additives	5%	10%	15%
23099090	Other Prep. Of A Kind Used In Animal Feeding, Nes	4%	10%	14%

In March 2020, China opened a new tariff exclusion process by which Chinese importers could seek relief from some of the retaliatory tariffs. Unlike past tariff exclusions which automatically applied to all importers, the new tariff exclusion process grants exclusions based on month-by-month applications by the importer. While the initial announcement included a list of enumerated tariffs eligible for exclusions, the new process allows for other commodities to also apply for an exclusion. Chinese importers have reported that many tariff exclusion applications for commodities not on the list have been successful. Please see FAS GAIN Reports [CH2020-2017](#) and [CH2020-2059](#) for more information.

### Attachments:

No Attachments.