



**Voluntary Report –** Voluntary - Public Distribution **Date:** March 27,2020

Report Number: CH2020-0038

Report Name: Update to the Export Process for US Beef and Beef Products

Country: China - Peoples Republic of

Post: Beijing

Report Category: Livestock and Products, Trade Policy Monitoring

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#### **Report Highlights:**

In accordance with the U.S.-China Economic and Trade Agreement (ETA), China has implemented a number of changes to the scope and process of exporting U.S. beef and beef products to China. Key changes include an expanded scope of products, removal of the 30-month age limit for cattle, new Maximum Residue Limit (MRL) standards, and the use of the Public Health Information System (PHIS) for transmitting export documents. This report is intended to be a general guide for U.S. exporters and is intended to complement the regulatory requirements found in the USDA Food Safety Inspection Service (FSIS) Export Library.

## **Executive Summary:**

In May 2017, China reopened the market to U.S. beef after a nearly 14-year closure. Since this initial opening, the United States and China signed the U.S.-China Economic Trade Agreement (ETA), eliminating a number of restrictions to the beef trade.<sup>1</sup> The purpose of this GAIN report is to provide an updated overview of the general requirements for exporting U.S. beef and beef products to China. This report builds on GAIN Reports CH17033 Procedures for Exporting U.S. Beef to China and CH 18031 Update on Expanded List of Eligible Exports of U.S. Beef to China.

Notable revisions to U.S. market access include the following:

**Product Scope**: In accordance with the ETA, China has dropped the 30-month age requirement and broadened the scope of products eligible to be exported to China, with processed beef products now eligible for export.

**Traceability:** China also recognized the U.S. traceability system for U.S. beef and beef products, eliminating the need to maintain a unique tracing program for cattle used in the production of U.S. beef and beef product exports to China.

**Maximum Residue Limits**: In accordance with the ETA, China's Ministry of Agriculture and Rural Affairs (MARA) has notified the United States of several MRLs for synthetic hormones used in beef production, including zeranol, trenbolone acetate, and melangesterol acetate.

**Facility Eligibility:** In accordance with the ETA, China recognizes FSIS oversight of U.S. beef slaughterhouses, processing facilities, and storage facilities for the purpose of exporting U.S. beef and beef products to China.

Advance notification of export certification documentation: As of March 21, 2020, all shipments of U.S. beef and beef products to China will be notified to China Customs using the PHIS. Paper certificates will no longer be issued for China-bound shipments. Please see the FSIS Export Library for specific information about PHIS implementation.

**Tariff Treatment and Exclusions**: While China has not removed the additional tariffs that have been levied on U.S. beef and beef products, China opened a new round of tariff exclusions on March 2, 2020. Almost all U.S. beef muscle cuts are included in the official announcement as eligible for an exclusion from the retaliatory Section 301 tariffs.

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<sup>&</sup>lt;sup>1</sup> The full link of the ETA text <u>here</u>.

#### **General Information:**

In accordance with the ETA between the United States and China, a number of changes to the process of exporting U.S. beef and beef products to China have taken place, thereby more closely aligning the terms and conditions with standards of the World Organization for Animal Health and the Codex Alimentarius Commission.

The purpose of this GAIN report is to provide the U.S. industry with a general overview of the updated process but is not designed to be a substitute for commercial due diligence. Exporters should consult with their importers to ensure that they have a clear understanding of China's regulatory requirements and customs clearance process. As this process matures, it is likely that there will be changes and refinements to the process described below. Any references to the FSIS Export Library for China are subject to modification by FSIS and the Export Library should be consulted regularly to check for updates.

# **Product Scope:**

In accordance with the ETA, China agreed to accept all FSIS-inspected beef and beef products, including processed products.<sup>2</sup> The following beef products are not eligible for importation into China, including when incorporated into further-processed products:

- Mechanically separated beef and distal ileum of cattle of any age.
- Beef thyroid glands, adrenal glands, tonsils, major lymph nodes exposed during slaughter and cutting, laryngeal muscle tissue, lungs, pancreas, spleen, gallbladder, uterus, hair, hoofs, and lactating mammary glands.
- Horns from cattle.
- Brain, skull, eyes, trigeminal ganglia, spinal cord, dorsal root ganglia, and vertebral column (excluding the vertebrae of the tail, the transverse processes of the thoracic and lumbar vertebrae, and the wings of the sacrum), from cattle 30 months of age and older.

Please note that while beef trimmings derived from eligible product is approved for export to China, it must be labeled as "beef pieces" in accordance with GACC requirements.

# Traceability:

In accordance with the ETA, China removed all references to age restrictions in beef cattle following its February 24, 2020 announcement that conditionally lifted restrictions on beef and beef products from cattle aged 30 months and older. With these changes that closely align with U.S. regulations for U.S. beef and beef products, the USDA Agricultural Marketing Service (AMS) export verification program is no longer needed for export to China.

<sup>&</sup>lt;sup>2</sup> For more information, please see Annex 6 of the ETA here: <a href="https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic\_And\_Trade\_Agreement\_Between\_The\_United\_States\_And\_China\_Text.pdf">https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic\_And\_Trade\_Agreement\_Between\_The\_United\_States\_And\_China\_Text.pdf</a>

#### **Maximum Residue Limits:**

In accordance with the ETA, effective March 16, 2020, China's Ministry of Agriculture and Rural Affairs (MARA) has established several MRLs for synthetic hormones used in beef production, including zeranol, trenbolone acetate, and melangesterol acetate. Note: All levels are parts per billion.

Hormone	Muscle	Liver	Fat	Kidney	Offal
Zeranol	2	10	2	20	20
Trenbolone Acetate	2	10	2	10	10
Melangesterol Acetate	1	10	18	2	10
Note: unit is ua/ka					

Exporters should be aware that China still maintains a zero tolerance for ractopamine in beef and beef products.

## **Registration Requirements:**

When China reopened the market for U.S. beef in 2017, China maintained two registration lists for overseas facilities. China's Certification and Accreditation Administration maintained one, while the General Administration of Quality Supervision, Inspection and Quarantine maintained another. Following the reorganization of China's central government in 2018, China combined the two registration schemes into one, maintained solely by China's General Administration of Customs.

Between May 24, 2017 and March 17, 2020, establishments that participated in the <u>USDA AMS Bovine</u> <u>Export Verification Program</u> for the People's Republic of China continue to remain eligible to export the following beef products prepared in accordance with this program:

Deboned beef, bone-in beef including heart, kidney, liver, omasum, tendons, outside skirt, inside skirt, hanging tender, oxtails, beef bones, feet, cheek meat, head meat, oxlips, backstrap, tunic tissue, ground beef (made strictly in conformance with FSIS regulations excluding weasand meat), and tongues from cattle that are less than 30 months of age.

Effective March 17, 2020, all beef and beef products from cattle of any age slaughtered, further processed, and certified in facilities that has been added to the GACC website are eligible to export.

To seek FSIS approval, or to update/modify facility information, the facility must submit FSIS Form 9080-3 through the FSIS Public Health Information System (PHIS). FSIS will certify the approved facilities to GACC. On a monthly basis, FSIS will submit an updated facility list to GACC.

When GACC receives the updated list of facilities from FSIS, GACC has 20 working days to publish the updated list on its website, <u>here</u>. FSIS will update the <u>FSIS Eligible Plant List for Exporting to China</u> (includes pork, poultry, and beef facilities) in the export library upon GACC updating it's website.

To access this list and check for specific U.S. establishments, please follow these instructions (note, the list is entirely in Chinese characters):

- a. Navigate to the **GACC** Approved Facilities List website.
- b. Click on the first link, or "符合评估审查要求的国家或地区输华肉类产品名" to download the spreadsheet. GACC renames this link with each update. At the time this GAIN report was published, the most recent list was updated on March 20, 2020 and is named: 符合评估审查要求的国家或地区输华肉类产品名单(2020年3月20日).xls"
- c. Within the spreadsheet (also in Chinese), the sheet entitled "美国" displays the U.S. facilities for pork, poultry, and beef. The facilities (listed in Column E) are sorted by product type (listed in Column C).

## **Import Permits:**

Once an exporter is listed on the GACC website and has a contract for a shipment, the Chinese importer applies for an import permit from GACC. The process of obtaining this certificate can take up to 20 working days, but frequently import permits are issued earlier than 20 working days. Although not required by Chinese or U.S. regulations, it is in the exporter's best interest to work with their importer to ensure the importer has secured an import permit before shipping product, especially if the product is chilled and shipped by air transport.

### **Advance Notification of Export Certification Documentation:**

As of January 27, 2020, all export applications, including beef and beef products, must be entered and processed through PHIS. As of March 21, 2020, China will accept via PHIS all FSIS export certification information to allow shipments of U.S. beef and beef products to enter China. As of March 18, 2020, advance notification of paper export certification packages to China are no longer being sent through the established mailbox. More information about using the PHIS Export Component can be found on the FSIS PHIS website.

In addition to the standard FSIS export documentation, exporters are also required to provide the following additional information through PHIS:

- The number of the ocean vessel container or air cargo container/flight number (if container number is not available).
- The number of the shipper's commercial seal (not a USDA seal) applied to the container.

- The Ocean/Air Cargo Container Number(s) and Seal Number(s) must be indicated in the blocks on the FSIS Form 9295-1, and in the "Remarks" of the FSIS Form 9060-5.
- The port of entry in China must appear in the "remarks" of FSIS Form 9060-5.3

## **Replacement Certificates for Beef and Beef Products**

China now accepts replacement certificates for exports to The People's Republic of China for the following situations:

- The original certificate did not contain required information;
- The original certificate contained typographical errors;
- The importer, exporter, consignee or consignor changed, but is within the same country that appears on the original certificate;
- The certificate is lost or damaged; or
- The port of entry changed.

While China accepts replacement certificates, U.S. exporters of beef and beef products should practice diligence in completing export documentation accurately. China has cautioned that the issuance of too many replacement certificates could cause China to reconsider its acceptance of this process.

#### **Tariff Treatment and Exclusions:**

While China has not removed the additional tariffs that have been levied on U.S. beef and beef products, China opened a new round of tariff exclusions on March 2, 2020. Almost all U.S. beef muscle cuts are included in the official announcement as eligible for an exclusion from the retaliatory Section 301 tariffs. In addition, Chinese importers can apply for tariff exclusions for products not included on the official list. Notably, tariff exclusions will only be granted to individual importers and will not automatically apply to all beef imports. Chinese importers have already reported applying for, receiving, and using the tariff exclusions to import U.S. beef without the additional Section 301 tariffs being applied to the products.

For more information about the tariff exclusion process, please see the following GAIN reports:

- CH2020-0017 (China Announces A New Round of Tariff Exclusions);
- CH2020-0024 (China Publishes Step-By-Step Tariff Exclusion Guide); and
- CH2020-2032 (China Publishes Frequently Asked Questions Document on Tariff Exclusion Process).

#### **Attachments:**

<sup>&</sup>lt;sup>3</sup> For a current list of designated ports/inspection sites for imported meat please refer to GACC's website at <a href="http://www.customs.gov.cn/customs/jyjy/jckspaq/xxfw63/jckrljgzyxx/1943970/index.html">http://www.customs.gov.cn/customs/jyjy/jckspaq/xxfw63/jckrljgzyxx/1943970/index.html</a> (in Chinese). The list of eligible ports is also available as a dropdown menu in PHIS.

No Attachments.