



Voluntary Report – Voluntary - Public Distribution

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Report Name: Update to the Export Process for US Pork and Pork 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. pork and pork products to China. Key changes include facility registration, an expanded scope of products, and use of the USDA Food Safety Inspection Service (FSIS) Public Health Information System (PHIS) for transmitting export certification 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.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Executive Summary:

All federally inspected establishments interested in exporting pork and pork products to China must be approved by FSIS, then added to China's General Administration of Custom's (GACC) website. U.S. facilities can export pork and pork products that are slaughtered and further processed after the facility has been added to the GACC website.

In accordance with the ETA, China has acknowledged the expanded scope of market access for pork and pork products. China agreed to accept all FSIS-inspected pork and pork products, with a list of ineligible products referenced in Chapter 3 Appendix I of the ETA. This list of ineligible items can also be found on the FSIS Export Library.

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

While China has not removed the additional tariffs that have been levied on U.S. pork and pork products since 2018, China opened a new round of tariff exclusions on March 2, 2020. Almost all U.S. pork and pork products are listed in the official announcement as eligible for an exclusion from the retaliatory Section 301 tariffs. The 232 tariffs levied on pork in April 2018 are not eligible for exclusion at this time. Notably, tariff exclusions will only be granted to individual importers and will not automatically apply to all pork imports. Chinese importers have already reported applying for, receiving, and using the tariff exclusions to import U.S. pork without the additional Section 301 tariffs being assessed on the product.

General Information:

Alongside the ETA, a number of changes to the process of exporting U.S. pork and pork products to China have taken place. 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.

Registration Requirements:

The most notable updated requirement is that FSIS-inspected facilities intending to export to China, including slaughter, processing, further processing, and cold storage facilities, must first be approved by FSIS and subsequently listed on GACC's public website prior to slaughtering and further processing pork and pork products for export to China. 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). Facilities approved by FSIS will be listed here: FSIS Eligible Plant List for Exporting to China (includes pork, poultry, and beef facilities).

FSIS will certify the approved facilities to GACC. FSIS will provide GACC an updated establishment list monthly. Upon GACC receiving an updated list of pork facilities from FSIS, GACC has 20 working days to publish the updated list of pork facilities on its website. Only after a facility is listed on the GACC website can it slaughter or further process pork or pork product for export to China.

To access this list and check for specific U.S. establishments, please follow these instructions (note, the eligible facility 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.

Product Scope:

In accordance with the ETA, China has acknowledged the expanded scope of market access for pork and pork products. China agreed to accept all FSIS-inspected pork and pork products, including processed pork and pork products.¹ The ETA also lists certain products ineligible to be exported to China, including when incorporated into further-processed products. The ineligible pork products are listed in the ETA and on the FSIS Export Library as:

Pork 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.

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

Using PHIS:

As of January 27, 2020, all export applications for meat, including pork and pork 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 shipment of U.S. meat products into 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.

PHIS will require the export applicant to enter the port of entry, slaughter establishment number, processing establishment number, and seal and container numbers before the application can be approved. Please note that only certain Chinese ports allow importation of meat products. For a current list of designated ports/inspection sites please refer to GACC's website at: http://www.customs.gov.cn/customs/jyjy/jckspaq/xxfw63/jckrljgzyxx/1943970/index.html (in Chinese). This list of eligible ports is also available as a dropdown list in PHIS.

¹ For more information, please see Annex 6 of the ETA here:

https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_ Agreement_Between_The_United_States_And_China_Text.pdf

Replacement Certificates for Pork:

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 pork and pork 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 Exclusions:

China levied retaliatory tariffs on U.S. pork and pork products in several rounds. In April 2018, China imposed an additional tariff of 25 percent on many pork products in retaliation for the U.S. Section 232 Action. By the end of 2019, China had imposed additional tariffs on most U.S. pork and pork products in retaliation for the U.S. Section 301 Action. Please see GAIN Report <u>CH2020-0016</u> for a complete list of the current tariff treatment on U.S pork and pork products.

While China has not removed the additional tariffs that have been levied on U.S. pork and pork products since 2018, China opened a new round of tariff exclusions on March 2, 2020. Many pork and pork products were included by China in the announcement as eligible for tariff exclusions. However, tariff exclusions are being granted on a per-enterprise basis and will not automatically extend to all importers. Successful applicants will receive relief from the Section 301 tariffs only—not the 232 tariffs. While only Chinese importers can apply for a tariff exclusion, U.S. producers should work closely with their importer to encourage them to apply. For more information about the tariff exclusion process, please see the following GAIN reports:

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

Attachments:

No Attachments.