

MAX BAUCUS, MONTANA, CHAIRMAN

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
RON WYDEN, OREGON
CHARLES E. SCHUMER, NEW YORK
DEBBIE STABENOW, MICHIGAN
MARIA CANTWELL, WASHINGTON
BILL NELSON, FLORIDA
ROBERT MENENDEZ, NEW JERSEY
THOMAS R. CARPER, DELAWARE
BENJAMIN L. CARDIN, MARYLAND
SHERROD BROWN, OHIO
MICHAEL F. BENNET, COLORADO
ROBERT P. CASEY, JR., PENNSYLVANIA

ORRIN G. HATCH, UTAH
CHUCK GRASSLEY, IOWA
MIKE CRAPO, IDAHO
PAT ROBERTS, KANSAS
MICHAEL B. ENZI, WYOMING
JOHN CORNYN, TEXAS
JOHN THUNE, SOUTH DAKOTA
RICHARD BURR, NORTH CAROLINA
JOHNNY ISAKSON, GEORGIA
ROB PORTMAN, OHIO
PATRICK J. TOOMEY, PENNSYLVANIA

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

AMBER COTTE, STAFF DIRECTOR
CHRIS CAMPBELL, REPUBLICAN STAFF DIRECTOR

June 21, 2013

The Honorable Michael Froman
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

The Honorable Jacob Lew
United States Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, D.C. 20220

Dear Ambassador Froman and Secretary Lew,

The planned acquisition of Smithfield Foods by the Shuanghu Group of China has thrown a spotlight on China's unjustified barriers to U.S. meat exports. China maintains unscientific sanitary and phytosanitary standards and applies those standards to its trading partners in an arbitrary fashion. As a result, while Chinese meat producers are free to bid on U.S. companies accounting for a significant share of U.S. pork production, our producers remain shut out of the important Chinese market, despite the available scientific evidence confirming the safety of our practices and of our products.

Since 2003, China has closed its market to essentially all U.S. beef. This position is inconsistent with the scientific findings of the World Animal Health Organization (OIE) and China's treatment of other beef exporting countries. Last month, the OIE reclassified the United States with its best rating and at the same level as Australia, New Zealand, and others. While these countries enjoy access to the Chinese market, the United States remains shut out. China bans imports of beef from U.S. cattle aged 30 months and over, and has instituted a web of restrictions that effectively ban the importation of beef from cattle under 30 months as well. This policy is unacceptable.

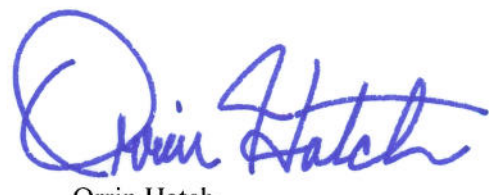
The purchase of Smithfield – the largest pork producer in the world -- is also difficult to square with China's restrictive policies that effectively ban U.S. pork. Currently, the Chinese market is closed to pork containing any residue of ractopamine, a food additive that the scientific community regards as safe to use. U.S. producers commonly use ractopamine and are unreasonably burdened by the Chinese restriction. We urge you to press China to adopt the residue limit for ractopamine set last summer by the relevant international standard-setting body, the Codex Alimentarius Commission.

We understand that the Smithfield transaction has been submitted to the Committee on Foreign Investment in the United States (CFIUS) for review. This review must be thorough and take into account the full range of national security interests. In particular, we urge that due consideration be given to the impact of the transaction on food safety in the United States.

China's policies are unscientific, inconsistent, and are directly harming the United States agriculture community. The interests of our farmers and ranchers must be protected. We urge you to aggressively engage with China to open its markets, to provide opportunities to U.S. meat producers like those Chinese producers hope to obtain here in the United States.

Sincerely,


Max Baucus
Chairman


Orrin Hatch
Ranking Member