



## ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA FACT SHEET

### AGRICULTURE AND SEAFOOD RELATED PROVISIONS

The Phase One economic and trade agreement signed by the United States and China on January 15, 2020, further opens China's food and agriculture market to American products. The Phase One agreement addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture, and seafood product exports, increase American farm and fishery income, generate more rural economic activity, and promote job growth.

Key outcomes of the Phase One agreement are:

- **Purchases:** China will purchase and import on average at least \$40 billion of U.S. food, agricultural, and seafood products annually for a total of at least \$80 billion over the next two years. Products will cover the full range of U.S. food, agricultural, and seafood products. On top of that, China will strive to import an additional \$5 billion per year over the next two years.
- **Agricultural Biotechnology:** China has agreed to implement a transparent, predictable, efficient, science- and risk-based regulatory process for the evaluation and authorization of products of agricultural biotechnology. China's time frame for review and authorization for products for feed or further processing will be an average of 24 months. China has also agreed to certain administrative improvements in the application process, to certain steps to address situations of low-level presence, and to develop safety assessment procedures for approval of food ingredients that are derived from genetically modified microorganisms.
- **Domestic Support:** China has agreed to respect its current World Trade Organization (WTO) obligations on the transparency of its domestic support measures. Separate from this Agreement, as part of a WTO

dispute brought and won by the United States, China previously agreed to comply with its WTO obligations on its domestic support for rice and wheat by March 31, 2020. The United States maintains the right to take actions related to that dispute.

- **Tariff Rate Quota Administration:** China has agreed to comply with its WTO obligations and to make specific improvements to its administration of wheat, corn, and rice tariff-rate quotas (TRQs), including the allocation methodology, treatment of non-state trading quota applicants, and increased transparency. Separate from this Agreement, as part of a WTO dispute brought and won by the United States, China agreed to comply with its WTO obligations for the administration of TRQs for wheat, corn, and rice by December 31, 2019.
- **Sanitary and Phytosanitary Measures:** The Parties agreed to not implement food safety regulations or require actions of the other Party's regulatory authorities that are not science- and risk-based and shall only apply such regulations and require such actions to the extent necessary to protect human life or health. In addition, recognizing the importance of ensuring that sanitary and phytosanitary (SPS) measures are science-based, non-discriminatory, and account for regional differences, the Parties have agreed that China will improve SPS measures affecting a wide variety of products, which will facilitate exports of U.S. food and agricultural products to China.
- **Beef:** China will expand the scope of beef products allowed to be imported, eliminate age restrictions on cattle slaughtered for export to China, eliminate unnecessary cattle traceability requirements, and provide for the establishment of maximum residue levels for three hormones legally used in the United States.
- **Pork:** China has agreed to broaden the list of pork products that are eligible for importation to include processed products such as ham and certain types of offal. China also agreed to conduct a risk assessment for the veterinary drug ractopamine, which may be used in U.S. beef and pork production.
- **Poultry:** On November 14, 2019, China reopened its market to U.S. poultry meat, partially eliminating the ban it had imposed in late 2014. The U.S. Department of Agriculture (USDA) and China's customs administration have completed necessary technical details, and Chinese importers can import U.S. poultry meat slaughtered and processed after being listed on the website of the General Administration of Customs of

the People's Republic of China (GACC).

- **Processed Meat:** China will immediately recognize USDA oversight of U.S. meat, poultry meat, and processed meat and poultry meat facilities, thereby eliminating any unique registration requirements and allowing imports of products accompanied by USDA certificates.
- **Public Health Information System (PHIS):** China will implement by February 2020 USDA's PHIS, an electronic system to notify the USDA export health certificates to foreign governments in advance of shipment arrival. PHIS greatly reduces the workload for exporters and regulators. China will also accept USDA-issued replacement certificates.
- **Live Cattle for Breeding:** Through this Phase One agreement, China will immediately engage in technical discussions for the import of U.S. live cattle for breeding.
- **Dairy and Infant Formula:** China has committed to streamline the timelines and procedures for registering U.S. dairy and infant formula facilities and products and to provide regulatory certainty and market stability for products like fluid milk and dairy permeate powder.
- **Rice:** China has committed to authorize the importation of U.S. rice from any USDA-approved rice facility within 20 business days of China's receipt of notification from the United States that USDA has approved the facility as compliant with the phytosanitary protocol agreed to by the United States and China.
- **Seafood:** China has agreed to approve the importation of 26 aquatic species requested for export by the United States. China has also committed to streamline the timelines and procedures for registering U.S. seafood facilities and products including fishmeal and oil.
- **Fruits, Vegetables, and Plant-based Feed Products:** China has agreed to finalize phytosanitary protocols for U.S. avocados, blueberries, potatoes, California nectarines, barley, alfalfa hay pellets and cubes, almond meal pellets and cubes, and timothy hay.
- **Feed Products, including Distillers' Dried Grains with Solubles (DDGS):** China has agreed to immediately update its list of traditionally-traded feed additive products with 23 U.S. products and to streamline the registration process for feed additives, premixes, and compound feed. With regard to DDGS, China has also agreed to speed up license renewals

for DDGS manufacturers.

- **Pet Food:** China has agreed to immediately resume imports of pet food containing poultry ingredients and to lift the ban on ruminant ingredients. China has also committed to streamline the timelines and procedures for registering U.S. facilities.
- **Food Safety:** China agrees to not implement food safety regulations or require actions of the other Party's regulatory authorities that are not science- and risk-based and shall only apply such regulations and require such actions to the extent necessary to protect human life or health.
- **Geographical Indications (GI):** China has agreed to not undermine market access for U.S. exports to China using trademarks and generic terms through any GI measures taken in connection with an international agreement, to use certain relevant factors when making determinations for genericness, and to not provide GI protection to individual components of multi-component terms if the individual component is generic.