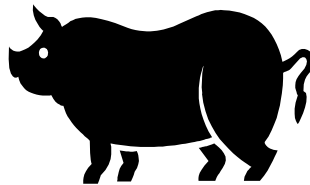
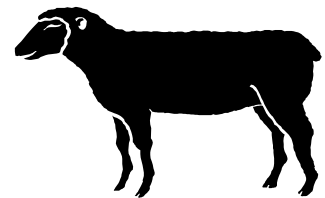


International Meat Trade Issues

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Abstract

Food safety issues, changes in mechanized agriculture, corporate consolidation, and rapidly morphing geopolitical maps all contribute to new, and complex issues in international meat trade. These issues are basic and unresolved.

Though some say "parts is parts", this is not true of "meat." The term "meat" is defined differently in the Americas, the European Community, and the Pacific Rim. These definitional differences impact product eligibility for trade, safety criteria, packaging and labeling, and other aspects of international commerce.

Disease control, and human consumer protection concerns have given rise to trade barriers, boycotts, and even closed borders. Creutzfeldt-Jakob Disease's popular name - Mad Cow Disease - has given disease control and food safety high levels of public attention. Political barriers to trade and compliance issues have arisen from this public attention.

Member states of the World Trade Organization ("WTO") have widely differing food traditions, sanitation and safety concerns, and infrastructure to comply with, or police, international meat transportation criteria. Small island developing states ("SIDS") made known their concerns for food safety criteria that go too far for their abilities to comply.

Pressures on producers, generated by increasingly multi-national consolidated corporate interests, are changing production methods around the world. Family farming is under intense pressure in industrialized nations; it still represents the best hope for economic independence in less developed states. Environmental concerns impact this aspect of meat production, and also meat trade as a result.

Meat production is changing, meat technology is improving, and food safety aspects of meat distribution occupy significant attention in trade talks. Treaties, and trade relations, are trying to keep pace with these changes in the world community.

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Introduction

Meat trade issues can be traced to the world's earliest refrigerated ships and their attempts to transport cargoes of frozen meat in the 1870s and 80s. Schlüeter & Maack is one of the world's oldest and most long lasting companies to be involved in the meat trade. Founded in 1820¹ by Ferdinand David Schlüeter and his cousin, Johann Georg Maack, the company has transported meat, and its legendary meat extract which molded its image, since at least 1866. Since the first issues about meat trade surfaced, complexities have abounded.²

Meat trade issues have evolved over time, but maintained some distinct identifiable common points. Persistent issues involving meat have included:

- Food safety,
- Widely differing food traditions and safety concerns,
- Changes in trade associated with economic change,
- Technologically-driven advances.

These same historic concerns persist now. They are compounded by the question, "What is meat?"

I. What is Meat?

A. Definitions

Problems defining what constitutes "meat" for trade purposes, divergent economic, social, religious, and political circumstances, and nation-state tensions all complicate the meat trade. These political issues are just a beginning. Food safety, labeling, and handling issues impact trade as well.

Some basic efforts have been made to narrow definitional problems. The United Nations Economic Commission for Europe ("ECE") announced an attempt at universal definitions in May 2001³. This work was consistent with ECE's definition

1. A history of the company is, largely, a history of the meat trade. www.schlueter-maack.com/history/.

2. Perhaps the most comprehensive review of this subject is Jennifer Spencer's *The International Meat Trade* (ISBN 1855735342 (Woodhead 2003)).

3. Press release, International Trade Language for Bovine Meat Products, www.unece.org/press/pr2001/01trade07e.htm

standardization policies. Meat terminology standardization has developed under guidelines designed to:

- a. Serve as a forum for exchange of ideas on developments related to technical regulation.
- b. Focus current priorities for international standardization with a view toward promoting a global policy of development in public health, safety, environmental protection, energy efficiency, consumer protection, and technology development while reducing technical trade barriers.
- c. Make uniform national policies by preparing recommendations concerning technical and standardization activities.
- d. Reflect, as an international group, on issues affecting Europe.
- e. Develop or maintain a liaison between government and non-governmental organizations in the meat trade.
- f. Organize and develop workshops to promote international communication.
- g. Provide technical assistance⁴.

This work is consistent with the activity of the Organization for Economic Cooperation and Development ("OECD"). OECD serves as a reference for international product standards, involving forest reproductive material, fruits and vegetables, seeds, and tractors⁵. OECD has no specific policy governing meats.

The International Organization for Standardization ("ISO") promulgates specific standards for determination of meat components. These detailed standards include determinations of fat levels, and provide that excessive levels of fat will disqualify products so they are not acceptable as meats⁶.

4. UNECE Standardization Policy, <http://www.unece.org/indust/stand.htm>.

5. www.oecd.org/about/0,2337,en_2649_33918_1_1_1_1_1_1,00.html.

6. ISO 1444 (1996). Nitrate contents, chloride contents, etc. are all subject to ISO standards. See, for example, ISO 2918:1975 (nitrate content); ISO 1841-1:1996 (Volhard method to determine chlorine content).

New meat product regulations issued by the United Kingdom's Food Standards Agency, provide minimum content requirements for meat products such as sausages, burgers, pies, etc. "Actual meat content" is now a governing criteria.⁷

In Europe, meat is newly defined as "skeletal muscle with naturally included or attached tissue" subject to specific limits for the amount of fat in connective tissue allowed. The definition excludes feet and trotters, tail and head meat, but includes cheeks. It also excludes non-muscle cuts such as liver, kidney, and heart.⁸ Commonly used terms can have confusing technical definitions in international trade.⁹ They must be used with precision.

B. Issues with Definitions

The European Union's ("EU") "meat" definition is controversial. The controversy is most pronounced within the EU as it concerns meat co-products. Attempts to define "meat co-products" have engendered controversy. The Consumers Association in Great Britain has voiced its concerns with the European Commission's definitions.¹⁰

Standard definitions have not led to standard meat product regulations. A year ago, Scotland enacted its own separate regulations, though it adopted the definition of meat for labeling purposes on its Food Standards Agency Regulations.

Much of the world's traded meat supply, and particularly its beef supply, is produced in the United States ("U.S."). "Meat" has not been redefined in the U.S. since December 1994. At that time the definition of "meat" was altered to include product

7. Foods Standards Agency, The Meat Product Regulations 2003-Summary guidance notes, <http://www.food.gov.uk/foodindustry/guidancenotes/meatregsguid/meatregsguidebutchers>.

8. Ibid.

9. A helpful overview of definitions for terms used in trade may be found at www.tradeport.org/library/i.html.

10. Consumers Association 23 Aug 00 paper, Memorandum to Food Standards Agency, http://www.which.net/campaigns/food/labelling/0008meatdefinitions_cresp.pdf

derived from advanced meat/bone separation machinery "comparable in appearance, texture and composition to meat trimmings and similar meat products derived by hand."¹¹

England's "Meat Product Regulations 2003" became effective in September of that year. These new regulations revoked former regulations dating to 1984 for "meat products" and spreadable fish products. The 2003 regulations set new minimum meat compositions for specific products (e.g., burgers, sausage rolls, pie, pasties, corned and chopped products, and luncheon meats). The English regulations adopted in 2003 are consistent with the European Union's definition of meat in its Directive 2001/101/EC. At the same time, England retained its food labeling regulations adopted in 1996, but amended them to allow for Quantitative Ingredient Declarations ("QUID") for meat products sold prepackaged for direct sale.¹²

Meat trade issues with the United States are largely driven by definitions in the Federal Meat Inspection Act,¹³ There, the term "meat food product" is defined to mean:

. . . any product capable of use as human food which is made wholly or in part from any meat or other portion of the carcass of any cattle, sheep, swine, or goats, except products which contain meat or other portions of such carcasses only in a relatively small proportion or historically have not been considered by consumers as products of meat food industry, and which are exempted from definition as a meat food product by the Secretary of Agriculture under such conditions as he may prescribe to assure that the meat or other portions of such carcasses contained in such products are not adulterated and that such products are not represented as meat food products. This term as applied to food products of equines shall have a meaning comparable to that provided in this paragraph with respect to cattle, sheep, swine, and goats.

Denatured carcasses are not included in the definition of meats.¹⁴ The U.S. definition for meat is obviously significantly different from the European communities' operative specifications.

11. Meat and Poultry Labeling Terms, Food Safety & Inspection Service, U.S. Dept. Agriculture (Aug. 2003). www.fsis.usda.gov/OA/pubs/lablterm.htm.

12. See description at Food Law Today, <http://www.lfra.co.uk/foodlawtoday/fldisplay.asp?newsid=411>.

13. 12 USC § 601 et seq.

14. Ibid.

C. Ongoing Definitional Process

Definitional problems are not thoroughly resolved as of November, 2004. While "meat" definitions have changed in many parts of the world in the past ten (10) years, the changes have not been consistent, concurrent, or compatible. In the European Community, and in international trade, definitional flux continues. Labeling concerns intended to communicate information about the products call up definitional issues. These

food products have given rise to much of this controversy.¹⁸ Labeling issues are far from clear. Even within a single country, continuing clarity is necessary. In the United States alone, there are no fewer than sixty (60) identified entities attempting to oversee and certify organic food standards. Each organization has its own guidelines, procedures and fee structures, and none are uniform. The U.S. has adopted an *Organic Foods Production Act*,¹⁹ but it has not achieved real domestic universality.

Sometimes definitions in select areas, like organic foods, contrast with other definitions which apply more broadly and complicate trade. Another American example may be appropriate. The Organic Foods Production Act of 1990 defines:

The term "agricultural product" means any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock that is marketed in the United States for human or livestock consumption.

This definition is certainly broad enough to cover traditional meats, i.e., body and muscle and connective tissue. Yet, the definition is not restricted to domestic meats, or even meats solely for human consumption.²⁰

Evolving definitions are inevitable. As this process continues, terms need more complete and specific universal definitions. Among those terms that should be defined with universality are:

Meat	Meat Co-Products
Meat Substitutes	Sausage
Minced Meat	Meat Contents
Agricultural Product	

II. What is Food Safety?

Food safety, regulations associated with food safety, and their use as barriers and restrictions against food products in international trade are matters of long-standing

18. Organic Product Production Labeling Issues, www.IowaAgOpportunity.org/organicprod/labelingissues.html. USDA, FSIS Policy Memo 055 deals with the definition of "natural".

19. The Organic Food Productions Act of 1990 is 7 USC § 6501 et seq.

20. 7 USC § 6502(1).

concern. Inevitably, these issues concern meat as well as other foods. The food safety issue was addressed superficially in the original General Agreements of Tariffs and Trade ("GATT") in 1947. But, GATT did not formulate or define an international food safety agreement. When the World Trade Organization ("WTO") was formed in 1995, more specific rules were conceived. These rules became the *Sanitary and Phytosanitary Measures* (sometimes called the "SPS Agreement"). The rules relate to three (3) primary issues or concerns:

- (1) Food safety,
- (2) Animal health, and
- (3) Plant health.

The SPS Agreement is still controversial. But it provides more detailed control for food safety concerns and embarks upon the process of standardization. The SPS Agreement remains an effective part of current trade. It has been modified by the WTO, but continues to function on an ongoing basis.

A. What current food safety issues are key?

Current food safety issues often focus on the sanitary and phytosanitary measures or SPS Agreement, that evolved from early WTO negotiating rounds.

The WTO's SPS Agreements' general principles expressed these key points:²¹

- Members have a right to take sanitary and phytosanitary measures as necessary to protect human, animal or plant life or health,²²
- Members have an obligation to ensure that sanitary or phytosanitary measures are applied only to the extent necessary to protect human, animal, or plant health and be based upon scientific principles. Such steps are not to be maintained without sufficient scientific evidence.²³
- Members must base SPS measures on recognized international standards, guidelines or recommendations.²⁴

21. See generally <http://edis.ifas.ufl.edu/fs100>.

22. SPS Agreement Article 2(1).

23. SPS Agreement Article 2(2).

24. SPS Agreement Article 3(1).

- Members may introduce or maintain SPS measures which result in a higher level of protection than would be achieved by measures based on relevant international standards, guidelines or recommendations if scientific justification exists for the higher levels of protection.²⁵
- In cases where scientific evidence is insufficient, a member may provisionally adopt SPS measures based on available pertinent information. But, in such circumstances, members must seek additional information necessary for a more objective assessment of risk and review the provisionally adopted SPS measure within a reasonable time period.²⁶

The SPS Agreement mandates that member companies rely on scientific principles and recognized international standards, guidelines or recommendations. Scientific principles must be used to define food safety standards; this includes meats and meat safety.

In addition to the SPS Agreement, food safety standards were adopted by the FAO/WHO Codex Alimentarius Commission. This Commission's *Codex* Standards originated in 1962 but have never been mandatory in world trade. Codex committees have evaluated and reevaluated standards to assure a more scientific basis for each principle promulgated. A number of these have given rise to current food safety issues. Perhaps the most prominent of these include:

- Beef hormones standards,
- Milk hormones issues (including recombinant bovine somatotropin) [RBST, a milk production stimulant], bovine spongiform encephalopathy (BSE or Mad Cow Disease),
- Genetically modified organisms (GMOs),
- Genetically modified foods (GMFs),
- Zero tolerance issues (food additives & pathogenic microorganisms).

25. SPS Agreement Article 3(3).

26. SPS Agreement Article 5(7).

Other factors, referred to as other legitimate factors ("OLFs"), surfaced during evaluation and revision of Codex standards. Now OLFs identified by Codex include:²⁷

- (1) Economic sustainability, i.e., factors dealing with risk assessment and strategy implementation beyond pure science,
- (2) Lack of appropriate methods of analysis, i.e., limits for contaminant, assessment and analytical capabilities, etc.
- (3) Technical availability, IPE Food Safety Measure Achievability within current technology,
- (4) Additional safety factors, i.e., considerations of scientific limitations vis benefits yielded,
- (5) Technological need, i.e., benefits or needs for specific substances such as needs for food additives to render them safer for intended uses,
- (6) Environmental concerns,
- (7) Animal health and welfare concerns,
- (8) Consumer concerns, i.e., considering and addressing public perception.

An overall food safety precautionary principle evolved from food safety work by the WTO. The European Union's quasi-judicatory Commission led the way in this effort.²⁸ This overall governing precautionary principle is not yet specifically adopted by the World Trade Organization, but it is imbedded in the SPS Agreement's Article 5(7) essentially as follows:

When there are reasonable grounds for concern that a potential hazard may affect the environment or human, animal or plant health, and when at the same time available data preclude a detailed risk evaluation, precaution is indicated as a risk management strategy in food safety regulations. (See fn 16.)

27. See fn. 21-26 supra.

28. See http://europa.eu.int/comm/food/index_en.htm.

The precautionary principle requires implementation guidelines. These are not yet universal; they are in progress. Definitions for how to apply the precautionary principle of food safety and assure scientific focus on food safety regulations, is improving. Generally, principles for implementing the SPS Agreement's Article 5(7) precautionary principle include:

- Proportionality, i.e., measures must not be disproportionate to the desired level of protection and may not be aimed at zero risk,
- Non-discrimination. Measures should not be discriminatory or arbitrary in implementation.
- Consistency. Measures should be consistent with other adopted measures.
- Examination of benefits and costs of action and lack of action. Economic cost benefit analysis must be considered.
- Examination of scientific developments. Adoptive measures should constantly consider scientific progress. Measures should be maintained as long as scientific data is inadequate.

The EU's goal in applying and implementing the precautionary principle has been described as intended to achieve the desired protection level regarding a particular substance without it being disguised as a form of protectionism.²⁹ This overall goal is likely to achieve broader acceptance as time passes.

Examples of problems with food safety in international trade have abounded from industry to industry and region to region. They continue to supply issues and concerns involving:

- Mycotoxin regulations³⁰.
- Sheep Industry Concerns³¹
- Imported produce³²

29. See generally ANON 2000, Communication from the Commission on the Precautionary Principle, Brussels, 02.02.2000. http://europa.eu.int/comm/dgs/health_consumer/library/pub/pub07_en.pdf.

30. USDA AIB 789-6, Mycotoxin Regulations: Implications for International Agricultural Trade, <http://USDA.mannlib.cornell.edu/reports/general/aib/>

31. Ibid. at AIB 787.

32. Ibid. at AIB 789.

- Seafood safety³³

In the United States, definitions for meat are driven by food safety concerns.³⁴

Food Safety Inspection Service's ("FSIS") regulations contain several definitions of meat. These range from pizza standards to standards for hazardous activities.³⁵

The treaty establishing the European Community is specific about the importance of meat, and meat preparation definitions, and common criteria. The Commission issued an adjudicatory decision on September 8, 2000, laying down animal and public health conditions and veterinary certification criteria for imports of meat, minced meat and meat preparations from outside third countries. As a result, "meat preparations" are now subject to the following conditions:

1. they must be produced in accordance with the requirements laid down in articles 5 and 7 of Directive 94/65/EC;
2. they must come from an establishment or establishments offering guarantees provided for in the Annex I of Directive 94/65/EC;
3. [if they are meat preparations] they must be deep frozen at the production plant or plants of origin.³⁶

Specific compliance forms were promulgated for minced meat and prepared meat products³⁷ to help police these criteria.

Other EC directives deal with equally specific meat products. Directives concerning fresh poultry meat³⁸ are an example.

33. Ibid.

34. This is also true in Europe.

35. The United States Department of Agriculture's Food Safety Inspection Service publishes a compendium of its papers, and provides access to its regulations, at www.fsis.usda.gov.

36. Commission decision L240/19, Official Journal of the European Communities, 23.9.2000.

37. These forms may be found at Europa.EU.Int/eur-lex/pri/en/oj/dat/2000/l_240/l_24020000923en00190024.pdf.

38. Council directive 92/116/eec(Official Journal of European Community L062,p1,15.3.93; Council Directive 99/89/eec (Official Journal of European Community L300,p17,23.11.99, all with amendments continuing up to as recently as Commission decision 2001/598/ec (Official Journal of European Community L210,p37,3.8.2001).

Commission decisions governing European meat trade extend to diseases borne by meat. For example, food safety directives designed to prevent communication, through meats, of foot and mouth disease in the United Kingdom, have resulted in requirements that health marks, and historical data must accompany meats.³⁹

B. How Have Food Safety Issues Affected Trade?

BSE: A Case Study

Bovine spongiform encephalopathy ("BSE") is among the world's most famous diseases. Perhaps the reason is the disease's popular non-scientific name - "Mad Cow Disease". Yet, the ailment has had relatively little significant impact on human life. As the Canadian Ministry of Agriculture's Food Safety Director noted, that country has had only one (1) announced case of Mad Cow Disease, and has taken substantial proactive measures to prevent others. The United States reported one (1) case - December 23, 2003. That cow's origin was traced to a Canadian herd as though this would make some substantial difference.

The United States closed its border to Canadian beef after Canada's single case. This has angered Canadians. Nearly a year before the U.S. found its first BSE-positive animal, a study of consumer confidence in Canada disclosed:

- Nearly ninety percent (90%) of Canadians agreed, the Canadian food industry is well regulated to protect humans.
- Over sixty-five percent (65%) said they would buy more beef to help Canadian farmers.
- Nearly ninety percent (90%) gave beef a safety rating of five-tenths (5/10) or higher. Over half gave it a safety rating of eight-tenths (8/10), and fewer than ten percent (10%) expressed safety concerns.

The United States closed its borders to Canadian beef, but twenty-three (23) other trading partner countries did not. U.S. closure of its market to Canadian beef devastated

39. Commission decision concerning certain protection measures with regard to foot and mouth disease of the United Kingdom, OJL50/98, 21.2.2002).

Canadian farmers, but had no impact on U.S.-Canadian meat packers, and may have actually benefited them.⁴⁰

BSE is an overrated food safety issue. Despite its dread among persons in general, BSE has had little impact on human life. Annual human diseases are attributed to these causes: Infectious diseases 14,700,000; respiratory infections 3,900,000; AIDS 2,900,000; diarrheal 1,900,000; tuberculosis 1,600,000; malaria 1,100,000; measles 750,000; tobacco-related 5,000,000; cancer 6,000,000; injury in violence 5,000,000; road accidents 1,200,000; rabies 40,000; and finally, Mad Cow Disease 18.

BSE or Mad Cow-induced trade bans are not descriptive of all food and safety issues relating to interstate transportation in meat.

November 10, 2004, China lifted its ban on U.S. poultry products. At the same time, Australia was expanding meat exports to China and forecasting growth. *Ibid.*

Australia will transport beef, sheep and goat meat to China. It counts China as a significant market for Australian products.

The United States Department of Agriculture's Economic Research Service issued its Food Safety and International Trade - Research Brief ⁴¹ in February 2004. BSE publicity prompted this Report's release. The Report found:

- Expanding food trade has brought into sharper relief the divergence among countries Food Safety Regulations and Standards,
- Differences in regulations and standards cause friction and disputes that interrupt international food trade,
- Countries are tackling safety and trade issues with information exchanges and collaboration and are compromising conflicting standards.

40. Canada's two major beef packers are U.S. companies and are America's first and second largest beef slaughterhouses.

41. www.ers.usda.gov/publications/aib79/

A separate USDA Economic Research Service paper, *International Trade and Food Safety: Economic Theory and Case Studies*⁴² published these findings:

- Food safety challenges are mounting,
- Crises like "Mad Cow Disease" are more pronounced than in the past,
- World Food Trade's growth means more dependence on food safety measures used away from the home of food consumers,
- Food safety regulations and standards evolve differently in different nations as nations respond to local food safety crises and prepare for perceived exposure to other risks.
- These regulations are shaped by:
 - a. Countries' experiences with food safety,
 - b. Inherent food safety risk levels in each countries' food supply (e.g., Livestock Host Factors),
 - c. Countries' and industries' ability and willingness to allocate resources to control perceived risks,
 - d. Differences in consumer food safety perceptions and their inevitable yielding of preferences for targeting risk reduction efforts.⁴³
- National differences in regulations and standards lead to international trade conflicts and can ultimately affect global food demand and reduce trade. These disputes tend to arise principally from:
 - a. New, more stringent standards and rapidly changing food safety regulations.
 - b. Difficulty of separating food safety and non-science issues such as consumer preferences in regulatory decision-making.

42. <http://www.ers.usda.gov/publications/aer828/>

43. For example, perceptions about salmonella risks in poultry vary widely. So do commitments to protect against salmonella. Ibid.

- c. Difficulties in determining whether equivalent safety outcome has been achieved with different process standards.
- d. Strong differences in consumer risk perceptions and preferences.
- e. Newly identified, and unfamiliar, hazards.
- f. Increased trade volumes from new, or less proven, sources.

C. Other Concerns

In 1989, the European ban on animal growth hormones originated from concerns about the effects of these hormones on human health. U.S. and Canadian scientists believe they have eradicated this concern with scientific testing. But the EU has not lifted the hormone ban. A WTO Dispute Panel now has this issue docketed.

Yet relatively little disruption to food trade has occurred for safety reasons considering the trade's magnitude. In 2001, total global food and agricultural trade was \$US 436 billion, 200 countries participated in the trade.

Trade friction related to food safety can be persistent. Coherency between trade and food safety goals will likely require private investment, as well as both private and public intervention and assessment. Global food trade will continue to increase due to improvements in transportation, infrastructure and marketing, food safety standards, and standardizing them, is essential to making this system work. Illustrations are helpful.

The Belgian dioxin crisis is an example of the impact of divergent food safety standards upon agricultural trade, and specifically meat trade. The Belgian dioxin crisis commenced in January 1999. Animal feed in Belgium was contaminated with cancer-causing dioxin and polychlorinated biphenyl's ("PCBs"). This contaminated feed was fed to chicken, swine, and other animals. Trade was temporarily interrupted between Belgium, and the U.S. as well as thirty (30) other countries⁴⁴. Belgian exports were adversely affected.

44. See Ch 8, the Belgium Dioxin Crisis and Its Effects on Agricultural Production Exports, [ERS.USDA.gov/publications/aer828/aer828j.pdf](https://www.ers.usda.gov/publications/aer828/aer828j.pdf).

Since the Belgium dioxin crisis, dioxin or PCB contamination in feed has occurred in several countries. The challenge to resolve this problem is important to governments and implicated industries to minimize damage to food markets, maintain consumer confidence, and government confidence, and keep industry operating. The Belgian crisis exemplifies a food safety crisis that (1) arose from a large scale, isolated contamination event, (2) involved a persistent organic pollutant, (3) adversely affected many agricultural sectors in countries importing from them, and (4) could have been touched off by deliberate contamination. The crisis has a dramatic impact on Belgian exports. Meat product exportation from Belgium dropped by (thirty-two point one percent (32.1%). In an analysis of comparative growth between 1989 and ninety-nine percent (99%), and decline between 1998 and 1999.⁴⁵

Despite problems with its skepticism of other positions in and with the world community, the United States' Department of Agriculture seems to be trying to bring the U.S.'s response to food safety issues into a more meaningful and consistent scientific analytical mode.⁴⁶

U.S., Canadian, and European responses are not the only ones at issue by any means. Indeed, as recently as a month ago, the United States and Japanese governments completed consultation and agreed to resume beef trade between the two (2) countries.⁴⁷

In their joint statements, the governments of the U.S. and Japan announced that Japan will again accept U.S. beef and beef products imports and the U.S. will allow exportation to Japan following relevant domestic rule-making procedures. This trade was disrupted by identification of a single positive "Mad Cow Disease" test on a single slaughter milk cow.

45. Computed figures from the United Nations Statistics Division's COMTRADE database, 2002. The decline included a 53% decline in poultry trade.

46. See, e.g., Food Safety Issues for Meat/Poultry Products and International Trade (Agriculture Information Bulletin 79-4 (Feb. 2004). <http://www.ers.usda.gov/publications/AIB789/AIB789-4/>

47. The joint press release of the governments of the United States and Japan was released through a series of press releases October 21, 22 and 23, 2004. The study is available on the USDA website at www.USDA.gov/news/releases.

The U.S. will establish a marketing program that enables resumption of trade for an interim period (Interim Trade Program). These will include a beef export verification ("BEV") program managed by the USDA's Agricultural Marketing Service ("AMS"). Further details will be worked out by U.S. and Japanese experts. Major points include:

- Specified risk materials ("SRMs") must be removed from all animals of all ages,
- The range of SRMs is defined as bovine heads (except tongue and cheek meat, but including consult), spinal cords, distal ileum (two (2) meters from connection to caecum), vertebral column (excluding the transverse processes of the thoracic and lumbar vertebrae, wings of the sacrum, and vertebrae of the tail) of all ages.
- USDA will verify the control program for SRM treatment at each facility. Each will be required to have a HACCP program and a sanitation standard operating procedure ("SSOP").
- Beef items including offals and variety meats must be derived from bovine animals verified to be twenty (20) months of age or younger.
- Bovine included in the Japanese BEV program must be traceable to live animal production records to prove an age of twenty (20) months or less. Records must meet at least one of these criteria:
 - i. Individual animal age verification.
 - ii. Group age verifications.
 - iii. Insemination age verification.
 - iv. USDA process verified animal identification and date of collection services.
- Continuing consultation between the U.S. and Japan is expected.

The U.S./Japanese BEV program will review and police the foregoing concerns. It will be scientifically based and not policy based.⁴⁸

While international pork has not had recent significant disruption for food safety issues, this is ripe to occur. China is the world's largest pork producer with 463 million hogs. USDA estimates the United States has 60 million swine; ninety percent (90%) of which are market animals. Pork is the most consumed meat in the world. U.S. beef and poultry products were restricted by several countries, but pork was not.

The United States is an importer of pork despite its production size. Canada provides eighty-two percent (82%) of U.S. pork imports. Denmark supplies an additional twelve percent (12%).⁴⁹

In 2004, the American National Pork Producers Council petitioned the U.S. Department of Commerce and the International Trade Commission, complaining that Canadian live hog imports harmed U.S. producers. This issue did not impact pork, despite American producer group attempts to slow the trade.

Labeling, including country-of-origin labeling programs, are emerging issues in all meat and agricultural products trade, including pork.⁵⁰

There is little question that meat trade is significantly influenced by local as well as widely perceived issues. Public sentiment continues to be a trade factor.

D. Meat Safety & Trade Criteria and Procedures

Thirty-three member nations joined the original GATT *"Arrangement Regarding Bovine Meat"* nearly twenty (20) years ago. The Agreement remains a formative and important expression and protocol in international meat trade. It is sufficiently self-explanatory and succinct to repeat in its entirety.

48. USDA Press Release No. 0465.04 10-30-04. <http://www.usda.gov>.

49. <http://www.agmrc.org/pork/profiles/porkintlmtprofile.pdf>.

50. http://www.usmef.org/tradelibrary/europe_profilepork.asp

The document consists of multiple parts including declarations of purpose and objectives, product coverage, informational and market monitoring, functions of the International Meat Council, administration, and miscellaneous final provisions. Key points within the document are as follows:

Preamble

The Preamble of the Arrangement regarding *bovine meat* recognizes the need for international cooperation, greater liberalization, stability and expansion, in international trade in meat and live animals. It also affirms a need to avoid serious disturbances in bovine meat trade, the importance of this trade to the economy's many countries, particularly developing ones, and it reiterates the objectives of the general agreement on tariffs and trade.

The Arrangement proceeds from this predicatory language to recite agreements of member states. These are as follows:

Article I Objectives

The Arrangement's objectives are to:

1. Promote expansion of international meat and livestock marketing by facilitating dismantling of obstacles and restrictions to world trade.
2. Encourage international cooperation in all aspects of the trade.
3. Secure additional benefits of international trade with developing countries through improved trade possibilities, promotion, maintenance, and with other benefits.

Article II Product Coverage

The Arrangement "applies to bovine meat." It defines "bovine meat" extensively, and includes "live animals, meat and edible offals, frozen meats, salted, brined or smoked meats and other prepared or preserved meat of bovine animals.

The International Meat Council is authorized to add to this definition.

Article III Information and Market Monitoring

The Agreement requires participants to "provide regularly and promptly . . . information which will permit the Council to monitor and assess the overall situation of the world market for meat:

1. Furnish information available concerning the international trade.
2. Establish, participant by participant through the Council, modalities for trade information exchange.
3. Market monitoring.

Article IV International Meat Council Functions

The International Meat Council is required to meet to evaluate the world supply and outlook, proceed with a comprehensive examination of the Arrangement's functioning, and

1. Provide an opportunity for regular consultation on all matters affecting international trade in bovine meat.

If the Council finds evidence of an imbalance or threat thereof, it will proceed by consensus, to identify solutions.

2. Modify the definitions adopted by the Agreement if necessary.
3. Participate fully in the trade and matters involving it, and
4. Act as a quasi-adjudicatory body to resolve disputes.

Article V Administration

Part 2 of the Arrangement requires an International Meat Council to be established. It meets at least twice a year. Consensus decisions are required in the adjudicated process, and whatever arrangements are appropriate for consultation with governments is permitted.

Miscellaneous final provisions of the Arrangement provide that the Agreement has a three year life, remains in effect for participants who signed it, and withdraw only upon expiration of sixty (60) days written notice.

This international aspect of the meat trade perpetually requires more and more of an enforceable legal structure to deal with a particular area of concern.⁵¹

The *Arrangement* provides:

ARRANGEMENT REGARDING BOVINE MEAT

PREAMBLE

Convinced that increased international co-operation should be carried out in such a way as to contribute to the achievement of greater liberalization, stability and expansion in international trade in meat and live animals;

Taking into account the need to avoid serious disturbances in international trade in bovine meat and live animals;

Recognizing the importance of production and trade in bovine meat and live animals for the economies of many countries, especially for certain developed and developing countries;

Mindful of their obligations to the principles and objectives of the General Agreement on Tariffs and Trade (hereinafter referred to as "General Agreement" or "GATT");

Determined, in carrying out the aims of this Arrangement to implement the principles and objectives agreed upon in the Tokyo Declaration of Ministers, dated 14 September 1973 concerning the Multilateral Trade Negotiations, in particular as concerns special and more favourable treatment for developing countries;

The participants in the present Arrangement have, through their representatives, agreed as follows:

51. A year old publication, *The International Meat Trade* (Woodhead Publishing Ltd.) describes and analyzes main trade patterns in meat. It also provides an overview of the world's meat industry by region, explains various patterns, and provides significant additional information. See HighBeam Research, www.highbeam.com

PART ONE
GENERAL PROVISIONS

Article I Objectives

The objectives of this Arrangement shall be:

(1) to promote the expansion, ever greater liberalization and stability of the international meat and livestock market by facilitating the progressive dismantling of obstacles and restrictions to world trade in bovine meat and live animals, including those which compartmentalize this trade, and by improving the international framework of world trade to the benefit of both consumer and producer, importer and exporter;

(2) to encourage greater international co-operation in all aspects affecting the trade in bovine meat and live animals with a view in particular to greater rationalization and more efficient distribution of resources in the international meat economy;

(3) to secure additional benefits for the international trade of developing countries in bovine meat and live animals through an improvement in the possibilities for these countries to participate in the expansion of world trade in these products by means of *inter alia*:

(a) promoting long-term stability of prices in the context of an expanding world market for bovine meat and live animals; and

(b) promoting the maintenance and improvement of the earnings of developing countries that are exporters of bovine meat and live animals;

the above with a view thus to deriving additional earnings, by means of securing long-term stability of This provision applies only among GATT contracting parties.

markets for bovine meat and live animals;

(4) to further expand trade on a competitive basis taking into account the traditional position of efficient producers.

Article II Product Coverage

This Arrangement applies to bovine meat. For the purpose of this Arrangement, the term "bovine meat" is considered to include:

CCCN

- (a) Live bovine animals 01.02
- (b) Meat and edible offals of bovine animals, fresh, chilled or frozen ex 02.01
- (c) Meat and edible offals of bovine animals, salted, in brine, dried
or smoked ex 02.06
- (d) Other prepared or preserved meat or offal of bovine animals..... ex 16.02

and any other product that may be added by the International Meat Council, as established under the terms of Article V of this Arrangement, in order to accomplish the objectives and provisions of this Arrangement.

Article III Information and Market Monitoring

1. All participants agree to provide regularly and promptly to the Council, the information which will permit the Council to monitor and assess the overall situation of the world market for meat and the situation of the world market for each specific meat.
2. Participating developing countries shall furnish the information available to them. In order that these countries may improve their data collection mechanism, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.
3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance and current situation and an assessment of the outlook regarding production (including the evolution of the composition of herds), consumption, prices, stocks of and trade in the products referred to in Article II, and any other information deemed necessary by the Council, in particular on competing products. Participants shall also provide information on their domestic policies and trade measures including bilateral and plurilateral commitments in the bovine sector, and shall notify as early as possible any changes in such policies and measures that are likely to affect international trade in live bovine animals and meat. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

4. The secretariat of the Arrangement shall monitor variations in market data, in particular herd sizes, stocks, slaughtering and domestic and international prices, so as to permit early detection of the symptoms of any serious imbalance in the supply and demand situation. The secretariat shall keep the Council apprized of significant developments on world markets, as well as prospects for production, consumption, exports and imports.

Note: It is understood that under the provisions of this Article, the Council instructs the secretariat to draw up, and keep up to date, an inventory of all measures affecting trade in bovine meat and live animals, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV Functions of the International Meat Council and Co-operation between the Participants to this Arrangement

1. The Council shall meet in order to:

(a) evaluate the world supply and demand situation and outlook on the basis of an interpretative analysis of the present situation and of probable developments drawn up by the secretariat of the Arrangement, on the basis of documentation provided in conformity with Article III of the present Arrangement, including that relating to the operation of domestic and trade policies and of any other information available to the secretariat;

(b) proceed to a comprehensive examination of the functioning of the present Arrangement;

(c) provide an opportunity for regular consultation on all matters affecting international trade in bovine meat.

2. If after evaluation of the world supply and demand situation referred to in paragraph 1 (a) of this Article, or after examination of all relevant information pursuant to paragraph 3 of Article III, the Council finds evidence of a serious imbalance or a threat thereof in the international meat market, the Council will proceed by consensus, taking into particular account the situation in developing countries, to identify, for consideration by governments, possible solutions to remedy the situation consistent with the principles and rules of GATT.

3. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium-, or long-term measures taken by importers as well as exporters to contribute to improve the overall situation of the world market consistent with the objectives and

aims of the Arrangement, in particular the expansion, ever greater liberalization, and stability of the international meat and livestock markets.

4. When considering the suggested measures pursuant to paragraphs 2 and 3 of this Article, due consideration shall be given to special and more favourable treatment to developing countries, where this is feasible and appropriate.

5. The participants undertake to contribute to the fullest possible extent to the implementation of the objectives of this Arrangement set forth in Article I. To this end, and consistent with the principles and rules of the General Agreement, participants shall, on a regular basis, enter into the discussions provided in Article IV:1 (c) with a view to exploring the possibilities of achieving the objectives of the present Arrangement, in particular the further dismantling of obstacles to world trade in bovine meat and live animals. Such discussions should prepare the way for subsequent consideration of possible solutions of trade problems consistent with the rules and principles of the GATT, which could be jointly accepted by all the parties concerned, in a balanced context of mutual advantages.

6. Any participant may raise before the Council any matter affecting this Arrangement, *inter alia*, for the same purposes provided for in paragraph 2 of this Article. The Council shall, at the request of a participant, meet within a period of not more than fifteen days to consider any matter¹ affecting the present Arrangement.

¹It is confirmed that the term "matter" in this paragraph includes any matter which is covered by multilateral agreements negotiated within the framework of the Multilateral Trade Negotiations, in particular those bearing on export and import measures. It is further confirmed that the provisions of Article IV, paragraph 6, and this footnote are without prejudice to the rights and obligations of the Parties to such agreements.

PART TWO

Article V

Administration of the Arrangement

1. International Meat Council

An International Meat Council shall be established within the framework of the GATT. The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The

Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure, in particular the modalities for consultations provided for in Article IV.

2. Regular and special meetings

The Council shall normally meet at least twice each year. However the Chairman may call a special meeting of the Council either on his own initiative, or at the request of a participant to this Arrangement.

3. Decisions

The Council shall reach its decisions by consensus. The Council shall be deemed to have decided on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

4. Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

5. Admission of observers

(a) The Council may invite any non-participating country to be represented at any of its meetings as an observer.

(b) The Council may also invite any of the organizations referred to in paragraph 4 of this Article to attend any of its meetings as an observer.

PART THREE

Article VI Final provisions

1. Acceptance

(a) This Arrangement is open for acceptance, by signature or otherwise, by government's members of the United Nations, or of one of its specialized agencies and by the European Economic Community.

(b) Any government accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the provisions in the present Arrangement. This reservation is subject to the approval of the participants.

(c) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT who shall promptly furnish a certified copy thereof and a notification of

each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.

(d) The entry into force of this Arrangement shall entail the abolition of the International Meat Consultative Group.

2. Provisional application

Any government may deposit with the Director-General to the CONTRACTING PARTIES to the GATT a declaration of provisional application of this Arrangement. Any government depositing such a declaration shall provisionally apply this Arrangement and be provisionally regarded as participating in this Arrangement.

3. Entry into force

This Arrangement shall enter into force, for those participants having accepted it, on 1 January 1980. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

4. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.

5. Amendment

Except where provision for modification is made elsewhere in this Arrangement the Council may recommend an amendment to the provisions of this Arrangement. The proposed amendment shall enter into force upon acceptance by the governments of all participants.

6. Relationship between the Arrangement and the GATT

Nothing in this Arrangement shall affect the rights and obligations of participants under the GATT. The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

For the purpose of this Arrangement, the term "government" is deemed to include the competent authorities of the European Economic Community. This provision applies only among GATT contracting parties.

7. Withdrawal

Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the date on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT.

III. What National and Regional Circumstances Impact Meat Trade?

As noted previously, a variety of different patterns, objectives, intentions, and local and regional concerns impact meat trade. These range from Aboriginal subsistence whaling⁵² to other concerns and regional differences.

The vast array of cultural differences and differences in local traditions around the world cannot be chronicled here. Perhaps comments by Roger Kerr, Executive Director of the Wellington, New Zealand Business Round Table, in a speech to Victoria University of Wellington Law Students International on September 9, 2004 helped point out this difference:⁵³

The openness of an economy - particularly a small economy - to international trade in goods and services is a prime requirement for economic success. The dismantling of 'Fortress New Zealand' in the past 25 years has been a key element in the reform program that produced today's more efficient, flexible and resilient economy. Tariffs and other barriers to trade are now low, and New Zealand is likely to reach full free trade - zero tariffs - within a decade. There is widespread support for such a move within the business community. And New Zealand's liberalization has been in line with worldwide trends. In a group of 104 countries studied by the Fraser Institute of Canada, the average tariff rate fell from 26.1% in 1980 to 10.4% in 2002

Theory and evidence strongly support the case for free trade in goods and services it is noteworthy that Adam Smith, Karl Marx and John Maynard Keynes were free traders. Nevertheless, misconceptions about trade persist

Around the world, free trade is radically controversial. To some the World Trade Organization's growing influence and progress "represents a watershed in the process of establishing a truly global economic order. Because it sets out a comprehensive set of rules intended to guide all aspects of the global economic activity, the WTO will

52. See Footnote 51 above.

53. Speech, Roger Kerr, Executive Director, Wellington, New Zealand Business Round Table to Victoria University of Wellington Law Students International, September 9, 2004. <http://www.scoop.co.nz/mason/stories/BU0409/S00116.htm>.

undoubtedly exert a profound influence over the course of human affairs.”⁵⁴ To others, the WTO is a radically dangerous concept.⁵⁵

Without a doubt, changes in the world's geopolitical map have made marked differences in world markets. Russian meat production has fallen and it is seen as a market with great potential for many, including Latin American producers.⁵⁶

National and regional circumstances impacting meat trade continue to influence trade and policy. But these differences are diminishing. The influence of science, the importance of growing scientific standards and their universality, and progress toward acceptance of objectivity in food safety are narrowing these differences.

IV. What Does Commercial Change in the Industrial Structure of Food Processing Do To International Meat Trade?

Rapid structural change in the food processing industry poses these overall questions affecting international commerce:

- How Are Changes Likely To Impact: Producers? Or Trading partners?
- What Response Will These Changes Draw From The World Community?

A. Background.

Consolidation in meat processing is led by the United States. There, four (4) firms handle eighty percent (80%) or more of all cattle slaughter, seventy-five percent (75%) of all sheep slaughter, and sixty percent (60%) of all swine slaughter. These four (4) companies have names recognized in Europe, Asia, and the Middle East:

ConAgra,

Tyson Foods,

Cargill,

54. www.wcel.org/wcelpub/1999/12757a.html.

55. Editorial, Food for Thought: Raging Hormones, <http://www.sierraclub.org/sierra/200003/food.asp>.

56. See Meat Exporters Chomping at the Bit, Binha, the Russia Journal, 15 March 2002.

Smithfield⁵⁷.

Several of these firms vertically integrate their business. Cargill and Smithfield are aggressive cattle and swine producers. Tyson controls much of the egg and baby chick inventory placed in the hands of producers to grow out broilers for slaughter. These elements of control are compounded with forward contracting for hog, cattle, and poultry slaughter with producers. As a result, in the United States, open market activity has declined to ten percent (10%) or less of all hog sales, fifty percent (50%) or less of all cattle sales, and an ever decreasing amount of sheep sales.

The American slaughterhouse companies have become multi-national corporations with significant presence in the United States, in Asia, the Western hemisphere, and Europe.⁵⁸

The prevalence of these American companies around the world is well known. It has evoked cautions and comments about problems in America, and probable problems elsewhere as acquisitions of plants, and vertical integration of production displace farmers and workers.⁵⁹ Little has been written on this danger formally, though domestic attention to the problem has been reasonably well focused in the United States.⁶⁰

A recent paper by Professor William Heffernan, written for the National Farmers Union in the U.S., provides a compelling description of changes in the food and agricultural system, and the growth of multi-national corporations.⁶¹

57. Smithfield, the largest U.S. swine packing company, recently announced its purchase of Animex, a Polish subsidiary of Morlini. It acquired plants by doing so. It also purchased the Conmtim Group SRL in Rowenia to achieve vertical integration. This acquisition included 15,000 sows and related production facilities.

58. A comprehensive report on this subject domestically in the United States is now nearly a decade old and has yet to yield significant legislative change. Concentration in the red meat packing industry, www.usda.gov/gipsa/pubs/packers/conc-rpt.htm (USDA GIPSA 1996).

59. See for example http://www.australia-travel-visa-immigration.com/ruralnews/Finland/Oct_1996-01rmn.asp.

60. One organization aggressively attacking this problem in the Organization for Competitive Markets. As long ago as 1999, its general counsel cautioned that the World Trade Organization's approach would make solutions to domestic agriculture more difficult to achieve, even in the United States. http://www.competitivemarkets.com/library/members_opinions/2002andunder/12-11-01.htm.

61. Heffernan, Consolidation in the Food and Agriculture System, Report to the National Farmers Union (1999).

In Canada, this problem is widely recognized and has been presented to that nation's Parliament's Standing Committee on Agriculture and Forestry.⁶² Overall, the University of Missouri has taken the lead in documenting the globalization of agriculture and assessing its implications for the sustainability of small producers and small businesses. All of this affects trade.⁶³

This consolidation is important. More than \$3 billion in annual beef trade alone occurs. Two-thirds (2/3) of that amount involves Canada, Australia and New Zealand.⁶⁴

B. What is The Effect on Producers & Trade Partners?

While it is impossible to predict that reciprocity and free trade agreements will be achieved, reciprocal components of trade agreements are an increasingly important issue. World Bank studies analyze the extent of reciprocity, and chart the future for assuring that all countries are treated with equality in trade.⁶⁵ Freund concludes that economic evidence discloses a repeated game model of trade liberalization in which trade preferences granted are increasing as trade preferences are received. This implies countries can extract greater concessions from trade agreement members if they have higher external trade barriers. On the other hand, if a country's trade barriers are very large, gains from renegeing on an agreement can be high and make the agreement unenforceable despite offered long term gains.

Freund concludes there is a present reciprocity-credibility trade-off in the international community.

The Free Trade Agreements were sponsored on two (2) GATT foundational elements: non-discrimination and reciprocity. Article XXIV of the *General Agreements on Tariffs and Trade* allows formation of trade blocks, and has been derided as inappropriate. This provision allows discrimination by members against one another.

62. The Farm Crisis, EU Subsidies and Agribusiness Market Power, www.agobservatory.org/library.cfm?filename=farm_crisis_eu_subsidies_and_agribusiness_mark.htm.

63. Ikerd, The Globalization of Agriculture: Implications for Sustainability of Small Horticultural Farms, www.ssu.missouri.edu/faculty/jikerd/papers/torontoglobalization.html.

64. Cothorn, International Cattle and Beef Trade Issues (U of Cal Fresno Coop Ext Svc Winter Meetings, 2000), <http://zimmer.csufresno.edu/~jamesco/BeefTrade.pdf>

65. See Freund, Reciprocity and Free Trade Agreements, The World Bank, http://econ.worldbank.org/files/26994_wps3061.pdf.

But Article XXIV may be effective at achieving reciprocity. GATT's provisions seek a "balance of concessions" permitting one trading partner to grant a trade concession given by another. Article XXIV's reciprocity concept is for trade barriers "to be eliminated with respect to substantially all trade between the constituent territories." This does not mean that *equivalent* concessions are essential, but proportionate ones are expected, predicted and permitted.

Reciprocity in trade is a likely consequence in changes in the industrial structure of food processing. As multi-national corporations take up more prominent positions in eastern, western, northern and southern meat markets, and control of live animals at slaughter time, reciprocity can be expected because only a few large corporations will control massive quantities of the world's meat supply, regardless of the region from which meat moves.

Presently, the American conglomerates, Cargill, Tyson, and Smithfield have international operations in North and South America, Asia and Europe. Recent acquisitions by Smithfield⁶⁶ extend this trend in ways that are unfolding, in late 2004, in Western Europe.

Freund's World Bank study uses a three (3) country oligopolistic model of trade to evaluate reciprocity and free trade agreements. But a three (3) firm oligopsony may make a more appropriate model, as large companies may have ever-increasing ability to influence political policy in host nations, streamline policies and smooth differences between them, and thereby effectuate both reciprocity and parity between countries, while widening the gulf of power between multi-national corporations controlling trade, and the companies processing the world's meat.

Trading partners can suffer greatly, or enjoy a great progress and success as a result of industry consolidation. For example, Canada's economy faced a series of hostile shocks in 2003 due to the discovery of Mad Cow Disease in that country.⁶⁷ These trading shocks affected the balance of payments for Canada and other countries, and forced

66. See footnote 53.

67. See <http://www.statcan.ca:8096/bsolc/english/bsolc?catno=11-621-M2003005>

Canada to look for new and different trading partners when its U.S. market disappeared.⁶⁸ China became increasingly important as an export destination for Canadian goods.⁶⁹

Regardless of national responses, food processing consolidations effect on producers seems likely to be substantial. As multi-national corporations grow in size and influence in the world community, and take up larger and more prominent goals in meat processing, producers will be increasingly forced to a matching model. Family farms cannot efficiently supply large companies that require thousands of animals per day to keep their plants flowing neatly. This inevitably means consolidation will occur in the livestock production sector. Global agriculture will take an increasingly corporate form all the way to the production level.⁷⁰

Consolidation is seen as a major threat to producers in the United States, Canada, and parts of Europe.⁷¹ Environmentalists have increasing concerns about consolidation in livestock production and its consequences for the environment. Many publications deal with the interaction between livestock production systems and the environment, and seek to define an effective balance of concerns between producer interests on the one hand, and environmental interests on the other.⁷²

Assessment of the global balance between the need for livestock to produce essential commodities and increasing numbers of people is also a major concern. USAID, The World Bank, and the Food and Agricultural Organization ("FAO") have all given

68. Ibid.

69. Ibid.

70. Dramatic changes have already occurred. See, for example, a ten year old publication, International Trade Policies and Global Agriculture, January 1991-February 1993, www.nal.usda.gov/atmic/pubs/qb9322.htm for a dated description.

71. See, Domina, Defining Competition In A U.S. Courtroom: The Plaintiffs' Argument in Picket v. Tyson Fresh Meats, 2 Journal of Agricultural Food Industrial Organizations, No. 8 (bepress.com 2004).

72. See, e.g., The thoughtful papers produced as a result of an international inquiry, www.fao.org

intensive and focal concern to this topic.⁷³

Large scale livestock carcass processing often includes irradiation of carcasses because irradiation is faster and less labor-intensive than intensive washing. Irradiation is believed to kill harmful content of fecal material, blood, or debris on a carcass that traditionally was required to be washed away through careful cleansing, but is now thought to be disposed with an irradiation process.

Thirty-three (33) countries permit irradiation, including substantially all the world's largest producers of beef, pork and poultry. In many countries, grains can also be irradiated.

Irradiation blasts food with radiation equivalent to hundreds of millions of chest xrays. These high levels of energy initiate a complex sequence of reactions that kills bacteria and rips apart the molecular structure of food. Opponents of irradiation believe the ripped apart molecules yield new chemicals that can cause cellular and genetic damage in consumers of meats. Several substantial scientific agencies believe irradiation destroys large parts of the food value of meat. Studies by U.S. Food and Drug Administration scientists indicate irradiation destroys up to eighty percent (80%) of vitamin A in eggs, and half of the beta-carotene in orange juice. The controversy about meats continues.

Family farmers oppose global food irradiation. Large multi-national corporations processing food favor and insist upon it. Irradiation can be expected to grow in influence as family farming declines. Until some focus on retaining sustainable small production unit agriculture, the corporate trade may lead international law, and continue the path toward snuffing out domestic agriculture.

Food safety and related issues force constant realignment of trading partners. This is natural and appropriate since the international trading community involves a dynamic market. Traders are constantly looking for new relations and new successes. Australia's Minister of Trade has said that its government " . . . takes the view that it must pursue every opportunity to improve international market conditions for Australia exporters. Our multi-lateral objectives are therefore closely meshed with an ambitious approach to trade

73. www.fao.org. See its publication Global Consultation on Balancing Livestock, Environment and Human Needs, a joint project of the International Livestock Research Institute, in Forum USA, the FAO, the International Development Research Center, and The World Bank.

liberalization at bilateral and regional levels."⁷⁴ Of course, this dynamic progress is documented, and issues are constantly discussed by a number of bodies including the International Federation of Ag Producers.⁷⁵

Conclusion

International meat trade issues are dynamic. The World Trade Organization, its focus on science, and its efforts to make progress at food safety and keep pace with mechanized agriculture are all dramatically affecting these issues.

Meat definitions are not universal yet, the differences are narrowing. Disease control needs, and urgency to address particular kinds of ailments, continue to be buffeted by public opinion which is not always informed. Mad Cow Disease, which has caused little adverse human impact around the world, is an example. The disease has had dramatic economic consequences where it has been found, though its actual impact on consumer's meats is limited.

Multi-national corporate consolidation in food processing is also impacting trade. Nations may be forced to come to grips with the reality that multi-national companies now processing huge segments of the world's food products have larger economies than do many of their host nations. These companies require separate attention and focus. They have dramatic impacts on producers, trading partners, and world trade.

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74. Trade 2004, A publication of the Australian Department of Foreign Affairs and Trade, http://www.dfat.gov.au/trade/trade2004/chapter_04.html.

75. A descriptive brochure of this organization may be seen at <http://www.ifat.org/>.