February 6, 2018

Secretary, United States International Trade Commission
500 E Street SW
Washington, DC 20436

Re: National Pork Producer Council Comments in Response to ITC Investigation of "U.S. Trade and Investment with Sub-Saharan Africa". Investigation No. 332-564.

The National Pork Producers Council (NPPC) submits these comments in response to the International Trade Commission's (ITC) request for comments on its investigation of U.S. Trade and Investment with Sub-Saharan Africa (82 FR 55632).

NPPC is a national organization representing a federation of 43 state producer organizations, and the federal and global interests of 67,000 U.S. pork operations. The U.S. pork industry is a major value-added enterprise in the agricultural economy, and a significant contributor to the overall U.S. economy.

While Sub-Saharan Africa is generally a region of largely untapped potential for the U.S. pork industry, we have already begun to see increased pork sales in South Africa, due to South Africa's actions in 2016 to partially lift its ban on pork imports. However, South Africa still has numerous restrictions in place on U.S. pork, and much more needs to be done to realize the large potential for U.S. pork sales to that market.

Likewise, there is significant potential for increased pork exports to large sub-Saharan countries like Nigeria, as well as mid-size markets like Ghana, Angola, Benin, Cote d'Ivoire and Senegal. In this submission we describe some of the trade barriers to U.S. pork sales to the sub-Saharan market, and the opportunity to expand these markets by eliminating trade restrictions.

South Africa

South Africa imposes restrictions on imports of U.S. pork, described in detail below, at the same time that it enjoys a $2.3 billion trade surplus with the United States. South Africa is also a major beneficiary of U.S. trade preference programs – it exported $1.85 billion worth of goods to the United States in 2016 through tariff preferences accorded under the African Growth and Opportunity Act (AGOA), and exported $984 million worth of goods under the U.S. GSP program.

During his State of the Union speech in January, President Trump made a strong call for "reciprocal trade" with our trading partners. In his 2017 address at the Sixteenth Annual AGOA forum, U.S. Trade Representative Robert Lighthizer called on AGOA recipient nations to provide "greater reciprocity" in their trading relationships with the United States. We fully endorse the Administration's call for reciprocal trading relationships. However, as we explain below, when it comes to pork, the U.S. trading relationship with South Africa is far from reciprocal.

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In January 2016, after years of negotiations with the United States, South Africa agreed to partially lift its ban on U.S. pork, allowing for a limited number of U.S. raw, frozen pork cuts for direct sale in the South African market, and also allowing for the import of a number of other pork cuts for further processing. South Africa agreed to partially open its market after the United States threatened to remove Generalized System of Preferences (GSP) benefits from South Africa, due to that country's restrictions on pork and other meat products.

As a result of the removal of the South African restrictions, U.S. pork sales to South Africa have begun to climb, reaching 946 metric tons in the first nine months of 2017, a two hundred percent jump from the previous year.

But U.S. pork exports to South Africa would be far greater if South Africa removed the remaining restrictions on pork that significantly restrict U.S. sales. This includes unwarranted restrictions on U.S. imports related to Porcine Reproductive and Respiratory Syndrome (PRRS). As the United States has pointed out in discussion with South African officials, there has never been a case of PRRS being transmitted through legally imported pork, and the World Organization of Animal Health (OIE) does not recognize trade in pork and pork products as posing a risk of transmitting PRRS.

South Africa also maintains restrictions on U.S. pork related to the Pseudorabies Virus (PRV), even though the United States has been free of that disease since 2003. In addition, South Africa requires testing of fresh pork from the United States for *Trichinella*, even though it has been documented that this parasite is not found in commercial pork and based on human infection data there is no risk to consumers from commercial pork. The *Trichinella* testing requirements effectively limit U.S. pork sales to South Africa to frozen or cooked product.

Taken together these unwarranted barriers severely restrict U.S. pork exports to South Africa, limiting U.S. pork sales to just two percent of overall South African pork imports in 2016. With only four hundred South African pig farmers producing around 250,000 MT of pork per year (FAS GAIN reports), South Africa needs pork imports. As a low cost, high quality supplier of pork, the United States is a natural fit for the South African market.

Nigeria and Ghana

Nigeria maintains an effective ban on pork imports, but with the removal of import restrictions, Iowa State University Professor Dermot Hayes estimates that Nigerian pork imports from all suppliers would increase by 180,000 metric tons. Twenty percent of that total, or 36,000 MT, would be supplied by the United States. U.S. exports would then expand rapidly with the growth of the modern supermarket sector, and given the number of middle class consumers in the country.

Although Nigeria has maintained an effective ban on pork imports for over ten years, the Nigerian government is in the process of developing new sanitary phytosanitary regulations, an action that could result in increased transparency in the importing process. Should the Nigerian government offer new opportunities for pork imports, we believe the United States would be in a good position to capture some of the pent up demand for pork among the 90 million people in Nigeria that consume pork, including most of the population of the nation's capital, Lagos.

Ghana is another country with large potential demand for U.S. pork. Ghana has a new government in place that has provided a much more transparent system of import licensing for meat imports. Ghana began accepting U.S. pork in 2016, and the United States has already gained a twenty percent share of the 25,000 MT import market.

Other Countries

NPPC believes there is also significant market potential for U.S. pork in other sub-Saharan nations, such as Angola, Benin, Cote d'Ivoire, Gabon and Senegal. Many of these countries present market access issues similar to those in Nigeria and Ghana, with highly discretionary rules on imports. However, NPPC is confident that if some of the more systemic market access issues in these countries are at least partially addressed, and the U.S. industry spends time trying to develop these markets, increased U.S. pork sales can take place in all of these countries as well.

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