



Meat

The Australia-United States Free Trade Agreement (AUSFTA) came into force on 1 January 2005. The AUSFTA is a landmark agreement that gives Australian businesses expanded access to the world's largest importer and investor. Significant export opportunities have been created through the reduction of tariffs, the increase of specific quotas, the easing of market restrictions and the streamlining of investment processes.

AUSFTA and Meat

Under the AUSFTA, the annual quota for Australian beef exports to the United States will expand by 20,000 tonnes by year three of the Agreement, increasing to a total of (an additional) 70,000 tonnes over 18 years. Furthermore, the in-quota beef tariff was eliminated from 1 January 2005. In the first year, two-thirds of sheep meat and lamb product tariffs will be abolished, including the US tariff of 0.7 cents/kilo for lamb, and the US tariff of 2.8 cents/kilo on mutton. While there are no quota restrictions on sheep meat, beef quotas will continue to limit the tariff free trade in the short to medium term.

US Meat Market Summary

The US is the largest producer of beef products in the world; it is the third largest exporter of beef and the largest importer of beef. According to the National Cattlemen's Beef Association the US demand for beef has grown more than 25% since 1998. Concerns over BSE have increased demand for Australian beef in recent years. Beef products tend not to be branded however differentiated branded beef may become an increasing part of the market.

There are more than 64,000 sheep operators in the United States with around 80% geared towards lamb production. The leading sheep operations are in the states of Texas, California, Wyoming, South Dakota and Colorado. Demand in the US for lamb is much lower than that for beef. However, the demand for lamb is slowly increasing, especially in restaurants.

Organic farming is one of the fastest growing segments of US agriculture. Many producers, manufacturers, distributors and retailers are specialising in organic food including organic beef products. The US Department of Agriculture has national standards that apply to food products labelled as "organic" that must be met before "organic" can be used on any labelling or promotional material.

Rules of Origin

Under the AUSFTA only goods originating or substantially transformed in Australia or the US are eligible for the agreed preferential rate, with detailed rules of origin specified to determine whether a good qualifies (for further information see below).

Austrade Support in the United States

Throughout 2005 Austrade will substantially expand its US presence to help Australian companies capitalize on opportunities arising from the AUSFTA:

- Austrade's Food Team is represented across the US to provide greater reach into this lucrative market
- Trade events with a food focus targeted by Austrade include:
 - o NASFT Fancy Food Show San Francisco
 - o NASFT Fancy Food Show Chicago
 - o NASFT Fancy Food Show New York
- Food team experts will visit Australia throughout 2005

Key contacts and further information

- For advice on exporting to the US market contact Austrade on 132 878 – www.austrade.gov.au
- For advice specific to the US meat market contact john.stine@austrade.gov.au
- For queries regarding tariff quota administration visit the [Department of Agriculture, Fisheries and Forestry](#) website
- For quarantine issues visit the [AQIS](#) website
- For guidance on the AUSFTA content please contact the [Department of Foreign Affairs and Trade](#) on 02 62613089 or email US_FTA@dfat.gov.au
- For Australian tariff and rules of origin information contact [Australian Customs Service](#) on 1300 363 263
- US tariff information also available from the [US International Trade Commission](#).



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- Binding rulings for US tariff levels are available only from [US Customs and Border Protection](#)
 - For US Bioterrorism Act requirement visit the [US Food and Drug Administration](#) website
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 - Talk to your export adviser or customs broker for more information