

# CRS Report for Congress

## U.S.-South Korea Beef Dispute: Negotiations and Status

Updated July 24, 2008

Remy Jurenas  
Specialist in Agricultural Policy  
Resources, Science, and Industry Division

Mark E. Manyin  
Specialist in Asian Affairs  
Foreign Affairs, Defense, and Trade Division



Prepared for Members and  
Committees of Congress

# U.S.-South Korea Beef Dispute: Negotiations and Status

## Summary

On April 18, 2008, U.S. and South Korean negotiators reached agreement on the sanitary rules that Korea will apply to beef imports from the United States. It allows for imports of all cuts of U.S. boneless and bone-in beef and other beef products from cattle, irrespective of age, as long as specified risk materials known to transmit mad cow disease are removed and other conditions are met. However, both sides revised this deal in a late June-negotiated arrangement that will for an unspecified time period limit sales of U.S. beef only to cattle less than 30 months old.

South Korea published rules to put this agreement into effect on June 26, and quickly began to inspect U.S. beef sitting in cold storage. The U.S. Department of Agriculture similarly has begun to implement a new program to verify that the beef sold is processed from cattle less than 30 months old. U.S. beef exporters will now work to recapture a key overseas market. In 2003, South Korea was the third-largest market for U.S. beef exports, prior to the ban imposed after the first U.S. cow infected with mad cow disease, or BSE (*bovine spongiform encephalopathy*), was discovered. Korea's commercial significance is reflected in the position taken by several Members of Congress, who state that congressional consideration of, and support for, the Korea-U.S. Free Trade Agreement (KORUS FTA), depends upon South Korea fully opening its market to U.S. beef.

While the U.S. beef industry and U.S. policymakers welcomed the April deal, Korean TV coverage of the issue and Internet-spread rumors that questioned the safety of U.S. beef resulted in escalating protests and calls for the beef agreement to be renegotiated or scrapped. These developments, in turn, began to adversely affect the political standing of Korea's new President and his government's ability to pursue his ruling political party's policy agenda. To respond to mounting public pressure, the Korean government twice pursued talks with the United States to find ways to defuse public concerns without "renegotiating" the beef agreement. In the second round, both governments on June 21 confirmed a "voluntary private sector" arrangement that will allow Korean firms to import U.S. beef produced only from cattle less than 30 months old, and announced some changes to the April agreement. Both countries view this arrangement as a transitional step to improve Korean consumer confidence.

In longstanding negotiations with South Korea, U.S. trade officials have maintained that U.S. beef is safe, pointing out that it is consumed by millions of Americans. They point out that the U.S. measures in place to prevent the introduction of BSE in U.S. cattle herds already meet international scientific standards.

The anti-beef agreement protests could have lingering effects on U.S.-South Korean relations, because of the erosion of the Korean President's political standing, the possible effects on the ability of his government to secure ratification of the KORUS FTA, and his efforts to upgrade the bilateral military and strategic alliance. This report will be updated to reflect developments.

## Contents

|  |    |
|--|----|
| Background .....   | 1  |
| U.S. Beef Exports to South Korea .....                                       | 3  |
| U.S. and South Korean Negotiating Objectives .....                           | 5  |
| April 2008 Beef Agreement .....  | 5  |
| U.S. Feed Ban Rule Broadens Scope of Agreement .....                         | 6  |
| Steps to Be Taken If Problems Are Found During Inspection .....              | 7  |
| Steps That Apply If Another U.S. BSE Case Occurs .....                       | 7  |
| Other Rules .....  | 8  |
| Korean Reaction to Agreement .....   | 9  |
| Initial Response .....   | 9  |
| Bilateral Letter Exchange to Clarify Agreement Terms .....                   | 9  |
| Events Leading to Korean Request for Change in Agreement .....               | 10 |
| U.S. Reaction to April 2008 Agreement and to Korean Concerns .....           | 11 |
| Changes to April 2008 Agreement and Reactions .....                          | 12 |
| Beef Protests' Impact on Korean Government .....                             | 13 |
| Effects on Bilateral Relations and the KORUS FTA .....                       | 13 |
| Analysis of the Protestors .....   | 14 |
| Implementation .....   | 16 |
| Outlook .....  | 17 |
| Appendix. International Standards to Prevent Spread of BSE in Beef Trade ... | 19 |

## List of Figures

|   |   |
|---|---|
| Figure 1. U.S. Beef Exports to South Korea, by Type .....       | 4 |
| Figure 2. South Korean Beef Imports, by Leading Suppliers ..... | 4 |

# U.S.-South Korea Beef Dispute: Negotiations and Status

Many U.S. policy makers view the resumption of all U.S. beef exports to South Korea — the third-largest U.S. beef export market in 2003 — as essential, but not necessarily all that is required, before the U.S. Congress would consider legislation to implement the Korean-U.S. Free Trade Agreement (KORUS FTA).<sup>1</sup> To facilitate this, the U.S. and Korean governments agreed in mid-April 2008 on the rules that Korea will apply to U.S. beef imports to ensure shipments meet human health standards. South Korea's rationale was to improve prospects that the Bush Administration would soon decide to send the KORUS FTA to Congress, because of the limited time remaining in this year's congressional calendar. The White House had for some time signaled that Korea had to reopen its market to U.S. beef — a step necessary to secure the votes of Members of Congress who represent cattle production and beef processing states and whose support for the KORUS FTA is viewed as critical.

## Background

South Korea's concern about the potential human health impacts of U.S. beef dates back to December 2003, when its government banned imports of U.S. beef after a Canadian-born cow in Washington state tested positive for *bovine spongiform encephalopathy* (BSE), or mad cow disease.<sup>2</sup> BSE is a fatal, neurodegenerative disease of cattle thought to arise from the consumption of animal-derived protein supplements added to feed. Scientists believe that this disease can be transmitted to humans who eat the brain, spinal cord, or other high-risk tissues of BSE-infected cattle, which causes a variant form of Creutzfeldt-Jakob disease (CJD). This is a very rare and incurable degenerative neurological disorder (brain disease) that is ultimately fatal.

By 2003, South Korea had become the third-largest export market for U.S. beef. To regain access to this important but closed market, U.S. officials engaged in

---

<sup>1</sup> For more information, see CRS Report RL34330, *The Proposed U.S.-South Korea Free Trade Agreement (KORUS FTA): Provisions and Implications*, by William H. Cooper, Mark E. Manyin, Vivian C. Jones, Stephen Cooney, Remy Jurenas, and Alison Siskin.

<sup>2</sup> There have been only two other discoveries of BSE in cattle in the United States — in June 2005, in a U.S.-born cow on a Texas farm, and in March 2006, in another U.S.-born cow in Alabama. For more information on U.S. safeguards to protect cattle herds from BSE, third-party assessments made of U.S. import safeguards against the introduction of BSE, debate and developments on the livestock “feed ban” issue, U.S. surveillance and testing programs for BSE in cattle, and BSE prevention in cattle slaughter and beef processing, see CRS Report RL32199, *Bovine Spongiform Encephalopathy (BSE, or ‘Mad Cow Disease’): Current and Proposed Safeguards*, by Sarah A. Lister and Geoffrey S. Becker.

frequent talks with their Korean counterparts on what requirements should apply to U.S. beef shipped to Korea. Negotiations took two years to complete. In January 2006, South Korea agreed to a protocol that allowed imports of U.S. *boneless* beef only from cattle *less than 30 months old*. U.S. negotiators had signaled that some opening on the beef issue was necessary before negotiations with South Korea on a comprehensive FTA could begin. However, in late 2006, South Korean inspectors rejected the first three shipments of U.S. beef, after discovering small bone fragments in a few boxes of packaged frozen boneless beef. This development affected the negotiating dynamics of the overall FTA, even though this issue was not on the formal agenda. Separate bilateral discussions on this sensitive issue moved from the technical level to high-level meetings as both sides raced to conclude the KORUS FTA by the end of the March 2007 deadline set by the then-in-effect trade promotion authority. However, the issue was not resolved by the time both countries concluded this trade agreement.

Then-South Korean President Roh Moo-hyun, in a national address on April 1, 2007, stated he had personally promised President Bush that his government would “uphold the [yet to-be-released] recommendations” of the World Organization for Animal Health (OIE) on the BSE risk status of the United States and “open the Korean [beef] market at a reasonable level.” The OIE is the international scientific body recognized by the World Trade Organization as the international reference for matters of animal disease and health. On May 22, 2007, the OIE formally found that the United States is a “controlled risk” country for the spread of mad cow disease. The U.S. Department of Agriculture’s (USDA’s) top official on this matter commented that this “risk classification recognizes that OIE-recommended, science-based measures are in place to effectively manage any possible risk of BSE in the [U.S.] cattle population” and “provides strong support that U.S. regulatory controls are effective and that U.S. cattle and products from cattle of all ages can be safely traded in accordance with international guidelines, due to our interlocking safeguards.”<sup>3</sup> For a description of OIE’s role on this issue, see the **Appendix**, “International Standards to Prevent Spread of BSE in Beef Trade.”

USDA immediately requested that South Korea amend its import requirements for U.S. beef within a specified time frame to reflect this risk determination and to reopen its market to all U.S. cattle and beef products. In response, South Korea’s animal health regulatory agency began an eight-step process to assess the BSE risks of the U.S. beef sector in light of the OIE finding, with the intent to negotiate a revised bilateral agreement that would lay out import rules applicable to U.S. beef. Against this backdrop, U.S. beef exports resumed in late April 2007, with occasional breaks when Korean inspectors refused entry to some shipments that contained bones or did not meet other requirements laid out in the January 2006 agreement. With the third discovery of banned backbones in some boxes of U.S. packaged beef on October 5, 2007, South Korean authorities announced they would not conduct any more inspections of U.S. beef until both sides conclude formal negotiations to revise the 2006 protocol. To move toward that goal, bilateral technical-level talks held October 11-12, 2007, failed to bring both sides closer to an agreement. South Korean officials sought rules that were reportedly more strict than OIE guidelines, intended

---

<sup>3</sup> USDA, Animal and Plant Inspection Service, “Statement by Dr. Ron DeHaven Regarding OIE Risk Recommendation,” March 9, 2007.

to reportedly correct four shortcomings in the U.S. measures taken to limit BSE risks. The U.S. stance was that current rules already met OIE standards.<sup>4</sup>

Because of the political controversy anticipated with the prospect of further opening the Korean market to U.S. beef, President Roh's government decided to defer negotiations until after the December 2007 presidential election. Then, newly elected President Lee Myung-bak decided to wait until after the April 9, 2008, parliamentary elections. Both decisions effectively delayed talks with the United States on revising the beef import rules. These talks finally began on April 11.

## U.S. Beef Exports to South Korea

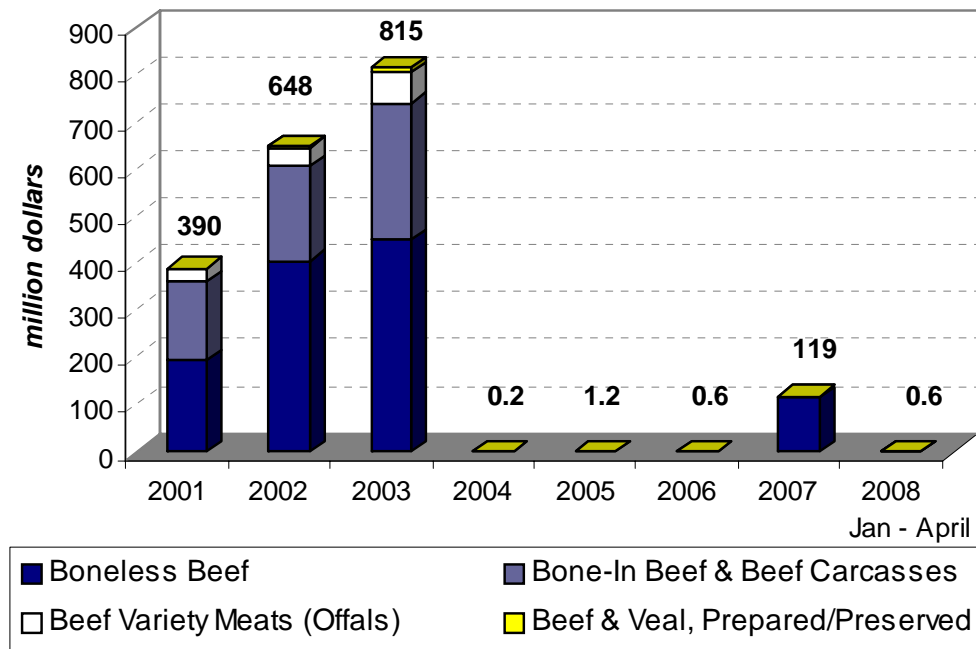
Since the late 1990s, South Korea has become a growing market for major beef exporters, particularly the United States. By 2003, beef imports accounted for nearly 75% of South Korean beef consumption. U.S. shipments alone supplied half of all of the beef consumed by Koreans.

In 2003, U.S. beef exports to South Korea totaled \$815 million, or 246,595 metric tons (MT), and accounted for 21% of the \$3.9 billion in U.S. beef products shipped worldwide. Boneless beef products accounted for \$449 million (55% of the total), while bone-in (rib) beef totaled \$292 million (36%). Sales of beef offals (tongue, liver, heart, among other edible cattle parts) reached \$65 million (8%). Minimal U.S. beef offal exports occurred in 2004, 2005, and 2006, due to South Korea's ban on imports after the first U.S. BSE-infected cow was discovered (**Figure 1**). Though some U.S. boneless beef sales occurred in the last few months of 2006 after South Korea agreed to implement the January 2006 agreement, Korean inspectors rejected these shipments after discovering small bone fragments in a few boxes. During the 2004-2006 period, beef shipments to South Korea from Australia and New Zealand increased substantially to cover demand that had previously been met by U.S. beef exporters (**Figure 2**). In 2007, both countries accounted for 92% of South Korea's beef imports, compared to 29% in 2003.

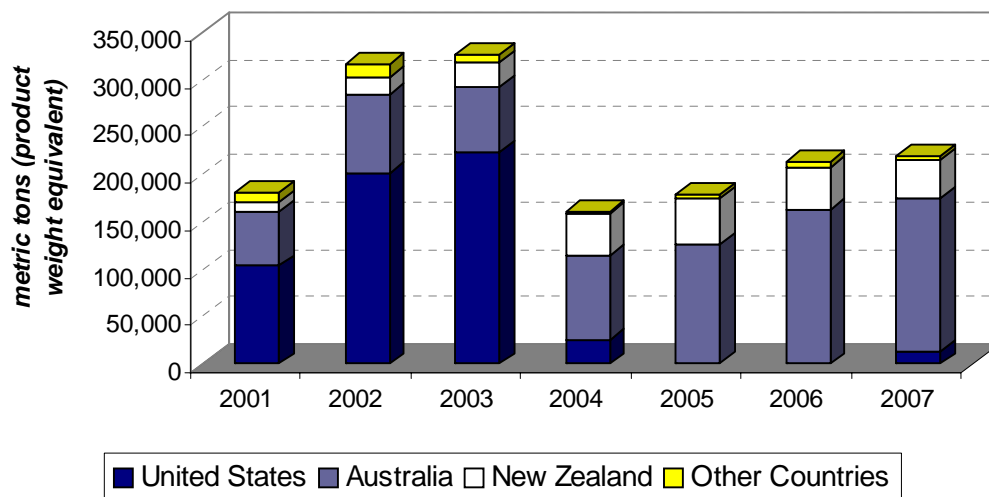
U.S. boneless beef exports to South Korea resumed in late April 2007. Through early October 2007, Korea's quarantine regulatory agency inspected and cleared for retail sale most U.S. boneless beef shipments, applying its interpretation of the January 2006 agreement. Even with partial-year exports, South Korea ranked as the fourth-largest market for U.S. beef in 2007, with sales of \$119 million, or 25,165 MT (**Figure 1**).

---

<sup>4</sup> *Inside U.S. Trade*, "U.S., Korea Beef Market Access Talks Fail Over Level of Access," October 19, 2007, p. 6.

**Figure 1. U.S. Beef Exports to South Korea, by Type**

**Source:** Derived by CRS from Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics.

**Figure 2. South Korean Beef Imports, by Leading Suppliers**

**Source:** USDA, Foreign Agricultural Service.

## U.S. and South Korean Negotiating Objectives

The longstanding U.S. negotiating position has been to press for full access in one step for all U.S. beef into South Korea's market. This meant expanding the scope of the 2006 agreement to include exports of *bone-in* beef and coverage of all U.S. beef from cattle, *regardless of age*, as long as BSE-risk materials are removed during processing. U.S. trade officials have maintained that U.S. beef is safe, pointing out that it is consumed by millions of Americans. They further pointed out that the U.S. measures in place to prevent the introduction of BSE in U.S. cattle herds already met international scientific standards.

South Korea argued for a "two-phased" approach to a full opening. The first step would allow imports of both boneless and bone-in beef cuts from U.S. cattle less than 30 months old, as long as those cattle parts identified by the OIE as agents that can transmit BSE to cattle and in turn to humans are removed. Korea's trade minister argued this first step would give the United States about 80% of its market share before the ban on U.S. beef took effect in late 2003. The second step would permit imports of beef from older cattle, as long as risk materials are removed according to OIE's standards.<sup>5</sup>

## April 2008 Beef Agreement

The second agreement, reached just hours before President Lee met President Bush at Camp David on April 18, 2008, spells out South Korea's health requirements that will apply to beef imports from the United States. Korea will allow entry to all cuts of U.S. *boneless* and *bone-in* beef and other beef products from the edible parts of cattle, *irrespective of age*, as long as specified risk materials (SRMs) known to transmit mad cow disease are removed and other conditions are met. However, both sides revised this deal in a late June private-sector arrangement that will for an unspecified time period allow sales of U.S. beef (boneless and bone-in) only from cattle *less than 30 months old* (see below, "Changes to April 2008 Agreement and Reactions"). Combined, the new rules still significantly expand upon the products covered by the January 2006 protocol, which only permitted imports of boneless beef from cattle under 30 months old.

The agreement requires the removal of specified risk materials (SRMs) during meat processing, and prohibit the entry of (1) all mechanically recovered and mechanically separated meat and (2) advanced meat recovery (AMR) product from the skull and vertebral column of cattle 30 months of age and over at the time of slaughter. These prohibitions reflect scientific conclusions that these materials can harbor the BSE agent in cattle and in turn infect humans if product from such cattle

---

<sup>5</sup> *Inside U.S. Trade*, "Korean Minister Sees Open Beef Market In Two Steps, Delay In FTA Approval," November 16, 2007, p. 5.



are consumed.<sup>6</sup> Other provisions detail which other beef products may or may not enter South Korea.<sup>7</sup>

## U.S. Feed Ban Rule Broadens Scope of Agreement

One important provision would automatically broaden the age range of cattle covered by the agreement when the U.S. Food and Drug Administration (FDA) publishes its final animal feed ban rule. Its inclusion addresses some of South Korea's concerns about what U.S. government regulations prohibit to be added to animal feed. With the publication of this FDA rule on April 23, 2008, the bilateral agreement upon taking effect would apply to imports of U.S. beef and beef products from *all cattle*, even those older than 30 months. Prior to this development, the agreement would have applied only to beef and beef products from cattle less than 30 months old at the time of slaughter. However, under the voluntary arrangement reached between Korean importers and U.S. beef exporters, U.S. beef from cattle older than 30 months will not be allowed to enter South Korea until both countries decide at some future date to activate this provision (see below, "Changes to April Agreement and Reactions").

The published FDA rule bars the use in animal feed and pet food of specified risk materials from cattle that have "the highest risk for carrying the agent thought to cause BSE." FDA states that these measures will strengthen existing safeguards that have been adopted against BSE.<sup>8</sup> The rule reportedly falls short of South Korean negotiators' initial demands for (1) a broader ban on the materials that are allowed to be used in animal feed, (2) a requirement that ranchers report cattle with BSE symptoms to the USDA, and (3) U.S. implementation of a mandatory national animal identification system.<sup>9</sup>

---

<sup>6</sup> Specified SRMs are "tonsils and distal ileum from cattle of all ages; and [the] brain, eyes, spinal cord, skull, dorsal root ganglia and vertebral column (excluding vertebrae of the tail, transverse processes and spinous processes of the cervical, thoracic and lumbar vertebrae, median crest and wings of the sacrum) from cattle 30 months of age and over at the time of slaughter." For more information, see "BSE Prevention in Slaughter and Processing: the 'Fourth Firewall'" in CRS Report RL32199, *Bovine Spongiform Encephalopathy (BSE, or "Mad Cow Disease")*: Current and Proposed Safeguards, by Sarah A. Lister and Geoffrey S. Becker.

<sup>7</sup> AMR product that is free of SRMs and central nervous system tissues is allowed. Ground meat, processed products and beef extracts may contain AMR but must be free of SRMs and all mechanically recovered or separated meat.

<sup>8</sup> Prohibited materials include the brains and spinal cords from cattle 30 months of age and older, the entire carcasses of BSE-infected cattle, the entire carcass of cattle that has not been inspected and passed for human consumption that is 30 months of age or older from which brains and spinal cords were not removed, tallow derived from BSE-infected cattle and from other prohibited cattle materials, and mechanically separated beef derived from the same prohibited materials. U.S. Department of Health and Human Services, Food and Drug Administration, "Substances Prohibited from Use in Animal Food or Feed," published in the *Federal Register*, April 25, 2008, p. 22720.

<sup>9</sup> *Inside US Trade*, "Feed Ban Opens Beef Market Despite Failing to Meet Korean (continued...)"

## Steps to Be Taken If Problems Are Found During Inspection

The April agreement prescribes steps that South Korea's quarantine inspection agency can take if banned cattle parts or other problems are found in a shipment from a U.S. meat firm and specifies what its counterpart U.S. agency must do to address the matter. One provision specifies that Korea will continue to inspect other imports of U.S. beef and related products, rather than as allowed by the first agreement to suspend their entry and revoke the right of that firm to sell beef to Korea if the problem is not resolved. For example, if Korean inspectors detect a "food-safety hazard" — defined as "any biological, chemical, or physical property that may cause food to be unsafe for human consumption" — in a "lot" from a U.S. firm, the Korean government "may reject the lot." Korea must then notify and consult with the U.S. government on the matter and may request corrective action if appropriate. If an SRM is found, USDA's Food Safety and Inspection Service (FSIS) will investigate to determine what caused the problem. In the meantime, Korea will inspect more closely other shipments from that U.S. firm (i.e., by increasing the inspection rate on lots of the same product) until five lots pass inspection without the discovery of any food-safety hazard. Only then can Korea return to its standard inspection procedures and rates on imports from that firm.

However, if the Korean government discovers two incidents of food-safety hazards involving separate lots from that same U.S. firm, Korea may suspend entries from that firm until corrective action occurs. One exception is that beef product from that firm certified for export to Korea prior to the date of suspension is eligible to be inspected. That U.S. meat firm is suspended from exporting to Korea until the U.S. government informs the Korean government of what corrective action has been taken and the date the firm's suspension is lifted. Unlike the first (2006) agreement, these various steps provide a map for addressing problems that could arise in future beef shipments.

## Steps That Apply If Another U.S. BSE Case Occurs

If another case of BSE occurs in the United States, the agreement narrows the scope of how both countries will respond to such a discovery. The first step requires the U.S. government to immediately conduct a thorough epidemiological investigation (i.e., look at all of the factors that contributed to the presence of BSE in this case) and inform the Korean government of the results. The second step requires the U.S. government to consult with the Korean government about these findings. The Korean government can only suspend imports of U.S. beef and products if the additional case or cases results in the OIE recognizing an adverse change in the classification of the U.S. BSE status (i.e., changing it from "controlled risk" to "undetermined risk").<sup>10</sup>

---

<sup>9</sup> (...continued)

Demands," April 25, 2008, p. 4.

<sup>10</sup> For an explanation, see the **Appendix**, "International Standards to Prevent Spread of BSE in Beef Trade."

However, in an effort to address Korean public concerns that these provisions were not strong enough, both governments on May 19 exchanged letters affirming that each country could take steps to protect its citizens from health and safety risks under specified multilateral agreements (see “Bilateral Letter Exchange to Clarify Agreement Terms,” below). Previously, under the January 2006 agreement, South Korea reserved the right to unilaterally suspend imports of U.S. boneless beef when (1) there was objective recognition that the U.S. BSE risk status has significantly worsened “due to the malfunctioning of [five specified] U.S. BSE control measures,” and (2) the presence of “additional BSE risk has been confirmed through the development of new science.”

## Other Rules

The agreement also includes provisions spelling out the requirements that U.S. beef exporters and the U.S. government must meet to sell beef and beef products to South Korea. Among other things, these provisions:

- allow all U.S. meat establishments operating under USDA inspection to sell beef and beef products to South Korea,<sup>11</sup> except in the case (as described above in “Steps to Be Taken If Problems Are Found During Inspection”) when Korea suspends a firm following the discovery of two food safety hazard incidents.
- expand the origin of foreign cattle from which beef and products can be exported to Korea to include cattle imported from Canada and raised in the United States for at least 100 days before slaughter. Previously, only boneless beef from cattle imported from Mexico and present in the United States for a minimum 100 days was eligible for export.
- detail the steps that USDA’s FSIS will take to handle cases of a U.S. meat establishment’s “serious non-compliance” — the discovery of a food-safety hazard — during an audit or in a shipped product (e.g., immediately control the non-compliant product; stop the production process if the problem continues until the determination is made that corrective and preventative measures have been taken; and allow production to resume if the determination is made that corrective steps are adequate). Previously, the U.S. government was required to immediately suspend the inspection of beef destined for Korea when serious non-compliance with the agreement’s health requirements was discovered.

---

<sup>11</sup> However, during the first 90 days after the agreement takes effect, South Korea reserves the right to audit and/or reject U.S. decisions on the listing of new plants eligible to export beef to Korea or on re-listing those plants that had lost their eligibility to export because of problems with previous shipments.

- require during the first 180 days after the agreement takes effect that U.S. exporters will indicate on boxes of T-bone and Porterhouse steaks that such cuts come from cattle under 30 months of age.
- allow Korean government inspectors to conduct on-site audits of a representative sample of U.S. facilities that export beef and products to Korea, with any resulting discovery of serious non-compliance with health requirements to require the U.S. government to take appropriate measures. Previously, the Korean government could ask the U.S. government to stop the U.S. meat establishment from exporting beef to Korea.
- require the United States to implement measures that meet or exceed OIE guidelines for controlled-risk status to detect and prevent the introduction and spread of BSE.

## **Korean Reaction to Agreement**

### **Initial Response**

In South Korea, TV coverage of the U.S. beef sector and Internet-spread rumors that questioned the safety of U.S. beef sparked large candlelight vigils held to protest the beef agreement. Opposition political parties soon joined these protests, advocating that the government renegotiate or scrap the agreement. Farmers also called for the National Assembly (Korea's parliament) to reject the KORUS FTA when considered during a special session later in May 2008. Opponents argued that the Korean government moved too quickly to strike a deal, and did not secure enough safeguards against the dangers of mad cow disease.

Faced with escalating protests and to allay public concerns, government leaders (including President Lee) responded, stating that U.S. beef imports would be stopped if another U.S. case of mad cow disease is discovered and public health is threatened. These statements raised concerns among U.S. trade officials that the agreement could be unraveling. These officials signaled to their Korean counterparts that there will be no renegotiation and both sides agreed to work together to find some accommodation. As the initial May 15 target to publish the rules, both countries began several days of intense behind-the-scenes talks to clarify the agreement without renegotiating it — an objective also sought by Korea's President.

### **Bilateral Letter Exchange to Clarify Agreement Terms**

On May 19, talks culminated in an exchange of letters apparently intended to provide cover for the Korean government to allay public concerns on one issue. Korea's Trade Minister Kim Jong-hoon and U.S. Trade Representative affirmed Korea's right as a member of the World Trade Organization (WTO) to protect its citizens from health and safety risks under Article XX of the General Agreement on Tariffs and Trade and the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. While these letters do not specifically state that South

Korea can prohibit U.S. beef should another case of mad cow disease occur in the United States, the U.S. recognized that Korea can exercise broad recourse permitted under multilateral agreements to protect its citizens' health.

The letter exchange also addressed Korea's concern that the SRMs specified in the April agreement did not include two SRMs from cattle over 30 months old that are listed in U.S. regulations as required to be removed from all beef and beef products, whether destined for U.S. consumption or export. The United States agreed to recognize Korea's right to reject any beef shipment that contains these additional SRMs, and to block all future shipments from a U.S. processor that violates the expanded list of SRMs twice.

## **Events Leading to Korean Request for Change in Agreement**

In acknowledging the continuing strong, vocal opposition to the beef agreement, President Lee in a nationwide address on May 22 apologized for his government's lack of efforts to sound out public opinion on resuming U.S. beef imports and accepted criticism for his negligence "in carefully reading the public's mind" on this issue. He pointed to the exchange of letters to show that Korea has the right to "take sovereign measures to halt beef imports immediately" if there is a danger to public health. He noted also that the letters guarantee that the safety of U.S. beef that will be imported meets international standards and that the quality of such beef is the same as that consumed by Americans.<sup>12</sup>

Though the government signaled its intent to publish rules in early June 2008, the Agriculture Ministry on June 2 announced an indefinite postponement of the official publication of the rules. Public protests during the previous weekend had turned violent, and the President's ruling political party reportedly had requested this step be taken to restore civil order.<sup>13</sup> The next day, the Ministry announced that the government had requested the United States to put on hold exports to South Korea of beef from cattle older than 30 months in order to address continued public concerns about the safety of U.S. beef. South Korea sought this change based upon the widely held view that cattle younger than 30 months are less susceptible to mad cow disease. However, the OIE makes no distinction on the risk level based on the age of cattle slaughtered for beef. Instead, the OIE recommends that importing countries, to prevent the introduction of BSE, ensure that beef of any age meet certain conditions, such as the removal of those cattle tissues suspected of transmitting BSE and implementing effective safety controls for cattle feed. Also, President Lee in a cabinet meeting acknowledged the significant drop in his approval rating because of the controversy over the agreement, and stated: "It is only natural that we do not import beef from cattle older than 30 months as long as the public is worried about it, and the majority is opposed to it."

---

<sup>12</sup> Yonhap News Agency, "Full text of Lee's statement on beef dispute, KORUS FTA," May 22, 2008.

<sup>13</sup> Inside U.S. Trade Online, "Korea Again Delays Opening to U.S. Beef Amid Protests," June 2, 2008.

## **U.S. Reaction to April 2008 Agreement and to Korean Concerns**

The U.S. beef sector and U.S. policy makers welcomed news of the agreement when announced in mid-April 2008. The National Cattlemen's Beef Association noted that South Korea "potentially represents a \$1 billion market and could grow to be the United States' top beef customer." The American Meat Institute commended U.S. negotiators for their efforts to communicate "the interlocking safeguards in place in the United States that make the U.S. beef supply among the safest in the world." The National Meat Institute emphasized that the agreement's most important aspect is "the reduced risk of failure," leaving "few opportunities for the types of technical non-compliance" that caused problems when Korea last allowed U.S. beef to enter.

President Bush thanked South Korea's President Lee for the decision to reopen that country's market to U.S. beef "consistent with international standards." Some Members of Congress welcomed the announcement, indicated they will monitor the agreement's implementation to see commercially meaningful quantities of U.S. beef appear on Korean store shelves, and stated that this step will improve the atmosphere for congressional consideration of the KORUS FTA.<sup>14</sup>

As the Korean government struggled to respond to public protests against the agreement and opposition political parties' calls for its renegotiation, U.S. government officials initially maintained there will be no renegotiating.<sup>15</sup> Repeated U.S. statements have emphasized that U.S. beef is safe and is consumed by millions of Americans, and that internationally recognized measures are in place to prevent the introduction of BSE into U.S. cattle herds. At the same time, U.S. officials began consultations with their Korean counterparts on approaches that could help defuse the sensitivity of this issue among the Korean public. The May 19 letter exchange was the first outcome of this process.

In a recognition of the importance of this issue, President Bush in a June 7 phone call with President Lee promised to address the Korean leader's request to work out effective ways to limit U.S. beef exports to cattle aged 30 months or less.<sup>16</sup>

---

<sup>14</sup> For example, see press releases and statements issued on April 18, 2008 by Senator Max Baucus, "Baucus Welcomes Deal On U.S. Beef, Says Korea Must Follow Through"; Senator Saxby Chambliss, "Sen. Chambliss Statement On South Korea Lifting Ban On U.S. Beef"; Senator Charles Grassley, "Memorandum: South Korea on U.S. Beef"; Representative Roy Blunt, "Blunt Hails South Korean Decision to Reopen Beef Market, Urges Action on Sidelined Trade Pacts"; Representative Bob Goodlatte, "Agreement Should Bolster Momentum for Future Free-Trade Agreement."

<sup>15</sup> Inside U.S. Trade, "Korea FTA Backers Float Auto Proposals To Clear Way For Vote," May 9, 2008; Dow Jones International News, "US Rejects Calls For Renegotiating S Korea Beef Export Deal," May 16, 2008.

<sup>16</sup> AgWeb.com, "Bush, South Korean Leader Talk Saturday Re: Beef Trade Issues," June 9, 2008; *AgriPulse*, "South Korean concerns continue to delay U.S. beef imports," June 11, 2008.

In a separate initiative, five U.S. beef processing firms said they would voluntarily add labels to indicate whether shipped beef is from cattle more or less than 30 months of age, leaving the choice on what to buy up to Korean consumers.<sup>17</sup>

## Changes to April 2008 Agreement and Reactions

On June 21, 2008, following week-long intense negotiations with U.S. trade officials, the South Korean government announced that both sides had agreed to changes in, and upon a process to put into effect, the April agreement. The process began the day before, when the Korean Meat Importers Association pledged “as an interim measure” to import only U.S. beef from cattle younger than 30 months “to increase consumer confidence” and requested the U.S. government to ensure that U.S. exporters ship beef produced only from cattle that meets this requirement. The Association pledged that it will make sure that U.S. beef from cattle older than 30 months will not be distributed in Korea, and expressed the commitment to import and supply high quality and safe beef taking into consideration first the health of the Korean people. The Association asked that U.S. beef exporters take the steps necessary to put its pledges into effect. Also on June 20, the U.S. meat industry acknowledged the Korean importers’ request and stated it “is prepared to limit [beef] exports to Korea to only products from cattle less than thirty months of age under a program verified by USDA as a transitional measure to full market opening consistent with OIE guidelines.” In their letter to the Secretary of Agriculture and to USTR, three industry associations requested that, as soon as Korea publishes rules to put into effect the April agreement, the U.S. government implement a program to verify the age of cattle slaughtered for beef to be exported to South Korea until “conditions in the Korea market support the restoration of exports of all U.S. beef products” to that country.<sup>18</sup>

On June 21, USTR confirmed the Korean Trade Minister’s announcement of the “commercial understanding” reached between Korean beef importers and U.S. exporters, that as “a transitional measure,” only U.S. beef from cattle under 30-months of age will be sold to Korea. USTR, in acknowledging the request received from the U.S. meat industry, stated that the “U.S. government will facilitate this transitional private sector arrangement” under a Quality System Assessment (QSA) program administered by USDA. The program will verify that beef shipped will be from cattle less than 30 months old, and will be voluntary — operating only at those beef processing plants that want to sell beef and beef products to Korea. USDA will establish this program when South Korea implements the April agreement.

---

<sup>17</sup> Press release issued by Tyson Foods, Inc., JBS Swift & Co., Cargill Meat Solutions Corp., National Beef Packing Co. and Smithfield Beef Group, Inc., “U.S. Beef Processors to Offer Temporary Beef Labeling Program for South Korea; Effort designed to increase consumer confidence,” June 2, 2008, available at [<http://www.tyson.com/Corporate/PressRoom/ViewArticle.aspx?id=2954>]

<sup>18</sup> Statement issued by Korean Meat Importers Association, accessed at Inside U.S. Trade’s website on June 23, 2008; U.S. Meat Export Federation, “U.S. Beef Exporters Respond to the Statement from the Korea Import Beef Association,” June 20, 2008, available at [[http://www.usmef.org/TradeLibrary/News08\\_0620a.asp](http://www.usmef.org/TradeLibrary/News08_0620a.asp)].

Both sides also agreed to some changes in the April agreement. First, certain U.S. beef products (brains, skulls, eyes, and spinal cords) that have not previously been exported to South Korea will not be covered by the agreement, until there is market demand in Korea for such products. USTR notes that these products now are not specified risk materials in cattle younger than 30 months. Second, Korea will have the right to take certain actions should its inspectors find “serious non-compliance” during their audits of U.S. beef plants, and if food safety hazards are detected when Korea inspects beef shipments at entry points. Third, Korea confirmed rules to put the April agreement into effect will be published “shortly.”<sup>19</sup>

Though the United States for some time had argued that it is in full compliance with OIE guidelines, U.S. negotiators appear to have had little choice but to compromise in a way so that some sales could resume. Publicly, both countries presented this arrangement as a transitional step to improve Korean consumer confidence in U.S. beef, and did not commit to any timetable to revisit this matter.

Some Members of Congress responded cautiously or skeptically to the latest deal, noting that this “voluntary commercial agreement” changes the April protocol by allowing Korea to reject U.S. beef from cattle over 30 months of age, disregards international standards that affirm the safety of all U.S. beef regardless of age, and sets an “unfortunate” or “dangerous” precedent in negotiating the terms of beef access into other countries.<sup>20</sup>

South Korean government officials portrayed the new arrangement as going far to allay public concerns raised in the protests against the April agreement, and have placed much emphasis on explaining these changes to secure a change in public attitudes on the safety of U.S. beef. However, the political fallout of the controversy on the April beef agreement continued. Three high ranking officials (including the Agriculture Minister and his deputy) resigned because of their involvement in the negotiations, and the majority political party in the National Assembly agreed to accept a parliamentary inquiry called by the political opposition as the condition for agreeing to convene this year’s session, already delayed because of this controversy.

## **Beef Protests’ Impact on Korean Government**

### **Effects on Bilateral Relations and the KORUS FTA**

While it is unclear what course future beef protests in Korea might take, they potentially could have lingering effects on U.S.-South Korean relations, because of their erosion of President Lee’s standing and because of their possible effects on the ratification of the KORUS FTA. Most significantly, the protests have severely

---

<sup>19</sup> USTR, “USTR Confirms Korea’s Announcement on U.S. Beef,” June 21, 2008.

<sup>20</sup> For example, see press releases issued on June 21, 2008 by Senator Baucus, “Baucus Comments on U.S.-Korea Beef Changes”; Senator Chambliss, “Sen. Chambliss Statement on South Korea’s Announcement Regarding U.S. Beef”; Senator Nelson, “Nelson Responds to Beef Agreement with South Korea.”



damaged the President's political strength, driving his approval ratings to the 20% level in many polls taken in June 2008. The protests have rejuvenated the previously demoralized opposition groups, particularly the United Democratic Party (UDP), which have boycotted the National Assembly, raising the possibility of a protracted political crisis in South Korea.

Perhaps most significantly for the United States, the weakening of Lee has meant that he has less political capital — let alone political will — to spend on measures designed to achieve his goal of upgrading the U.S.-South Korean alliance, including overcoming opposition to relocating U.S. bases in South Korea. Lee has made securing passage of the KORUS FTA a priority, both for South Korea's economic competitiveness and for revitalizing the U.S.-South Korean alliance. However, the domestic uproar in Korea over the April beef deal may have made passage of the KORUS FTA more difficult. In Korea, the protests are likely not only to have emboldened the FTA's opponents in the National Assembly, but also some polls taken at the protests' height in early June indicated that support for the agreement has fallen below the 50% level.<sup>21</sup> In early July, Lee's cabinet approved a new KORUS FTA bill for submission to a new session of Korean National Assembly, which had elections in April. During a meeting on the sidelines of the G-8 summit in Japan, Lee and Bush reportedly agreed to work to pass the agreement through their respective legislatures by the end of 2008.<sup>22</sup>

Lee's reduced standing also may make it more difficult for him to maintain his harder-line approach to North Korea. While polls indicate South Koreans generally support Lee's insistence on more reciprocity with Pyongyang, the Lee administration increasingly has been criticized for allowing North Korea to successfully isolate Seoul by improving relations with the United States, China, and Japan.<sup>23</sup> Indeed, in mid-July, Lee announced modifications to his North Korea policy that many interpreted as backing away from the harder line he initially had taken. The protests also have jeopardized Lee's domestic agenda, including items generally favored by the United States like deregulating the South Korean economy and expanding incentives for multinationals to invest in Korea.

## Analysis of the Protestors

Initially, the protests that occurred in the days after the April beef deal were relatively small, led by middle and high school students, and reportedly focused almost solely on the beef agreement. As the deal came under more scrutiny, groups from across the political spectrum began arguing it jeopardizes Korean safety, with

---

<sup>21</sup> South Korea — OSC [Open Source Center] Report, "ROK-US Beef Controversy Yet To Turn Anti-American," FEA20080609710227, June 7, 2008.

<sup>22</sup> "South Korean, US presidents discuss trade, North nuclear issue," *Yonhap*, July 10, 2008.

<sup>23</sup> U.S. State Department, Office of Research, *Opinion Analysis*, "'Reciprocity' Sounds Good...South Koreans React to Lee MB's Approach to North," M-65-08, June 2, 2008; *JoongAng Ilbo*, "Pragmatic Ties," June 16, 2008.

most of the attention focused on cows older than 30 months.<sup>24</sup> By the beginning of June, the protests had expanded to include tens of thousands of Koreans. They also had developed into a broad condemnation against the new government of Lee Myung-bak. Following the announcement of the June 21 change to the agreement, the size and intensity of the protests appeared to ebb somewhat, and some opinion polls revealed that a majority of Koreans felt the protests should end.<sup>25</sup>

While participants in the large-scale protests in early June appear to have come from a cross-section of South Korean society, according to South Korean police many of the main organizers hail from the “progressive” side of the political spectrum. They tend to oppose the KORUS FTA, as well as much of Lee’s agenda, particularly his plans to deregulate the economy, reduce restrictions on South Korean conglomerates (the *chaebol*), and make relations with North Korea more reciprocal.<sup>26</sup> What seems to have fueled the expansion of the protests appears to have been a coalescing of several factors:

- a perception that the beef deal symbolized Lee’s “arrogant” decision-making style;<sup>27</sup>
- a feeling that the avowedly pro-American Lee was too willing to concede to the United States on an issue of public safety;
- increased angst over South Korea’s deteriorating economic situation, caused in part by rising inflation and global financial disruptions; and
- a desire by the main opposition party, the UDP, to reverse electoral setbacks that had deprived it of the presidency (in the December 2007 election) and control of the National Assembly (in the April 2008 elections).

---

<sup>24</sup> *Chosun Ilbo*, “U.S. Beef from Cattle Older than 30 Months Should Not Be Allowed on Koreans’ Dining Tables,” June 14, 2008.

<sup>25</sup> See, for instance, Hyun-kyung Kang, “President Plays Hardball As His Rating Goes Up,” *The Korea Times*, June 25, 2008.

<sup>26</sup> OSC Report, “Four ROK Civic Groups Leading Anti-Government Beef Protests Profiled,” KPP20080605048001, June 5, 2008.

<sup>27</sup> Prior to the beef deal, Lee had been criticized for trying to make his Cabinet a “rich man’s club” and for seeking to exclude supporters of Park Geun-Hye, a more conservative rival, from his party’s list of candidates for the April 2008 parliamentary election. According to some analysts, both moves not only antagonized powerful groups in Korea, they also fostered an image of Lee as a elitist and not sufficiently consultative. Additionally, many analysts have stated that Lee made the decision to open the beef market with no apparent prior consultation or public preparation. The Seoul police’s use of water cannons, tear gas, and shipping containers (to block protestors’ movement) contributed to erode Lee’s support by evoking memories of how military governments of the 1970s and 1980s handled anti-government protests.

Analysts are debating the extent to which the protests are fueled by anti-American sentiments. To date, the protestors' target appears to have been primarily the Lee government, rather than the United States, though this could quickly change depending on reaction to the outcome of bilateral discussions over the beef deal and its subsequent implementation.<sup>28</sup> However, it seems clear that the beef agreement tapped into many South Koreans' widespread resentment of what they perceive to be their unequal relationship with the United States. Had a similar beef agreement been reached with Australia, for instance, it is unlikely large-scale protests would have broken out. For additional information, see CRS Report RL33567, *Korea-U.S. Relations: Issues for Congress*, by Larry A. Niksch.

## Implementation

On June 26, 2008, South Korea officially published rules to put the beef agreement into effect, and began to inspect U.S. beef shipments held in cold storage in Korea since last fall. As of July 21, Korea's quarantine inspection agency had inspected almost 80% of the 5,300 metric tons (MT) of boneless beef shipped late last year.<sup>29</sup> A large portion of the beef cleared for sale reportedly has already entered retail sales outlets — primarily smaller butcher shops in Seoul and the larger cities, and will be sold at discounted prices through the end of July.<sup>30</sup> Another 7,000 MT of boneless beef cleared by FSIS for export to Korea is stored at U.S. West Coast ports, with shipments likely to begin soon.

Reflecting the agreement as modified by the private-sector arrangement, USDA agencies are implementing procedures intended to ensure that U.S. beef meets Korea's import requirements. On July 10, the Agricultural Marketing Service (AMS) began implementing a voluntary Quality System Assessment (QSA) Program to verify that beef from participating plants is from cattle less than 30 months of age. To date, AMS has approved 29 exporting establishments as eligible to ship beef product that can be certified as meeting this requirement. Concurrently, beef and products destined for South Korea must be produced under an approved AMS Export Verification (EV) program. This details the specific product requirements that a supplier must meet in order to be eligible to ship to Korea. As of July 18, 28 suppliers were listed as covered by the EV program for Korea. Last, each beef shipment must be accompanied by an export certificate issued by the FSIS that confirms the U.S. establishment participates in AMS's QSA and EV programs for Korea.<sup>31</sup>

---

<sup>28</sup> One sign of how quickly public sentiment could turn against the United States was the quick and widespread criticism U.S. Ambassador Vershbow received when he was quoted as saying, "we hope that Koreans will begin to understand more about the science and about the facts of American beef...." *International Herald Tribune*, "Protests in Seoul more about nationalism than beef," June 11, 2008; *Hankyoreh*, "Do Candlelight Protests Hint at Anti-American Sentiments?," June 24, 2008.

<sup>29</sup> KBS World News, "Inspections of Boneless US Beef to Finish in July," July 23, 2008.

<sup>30</sup> Korea Times, "Korean Beef Sales Dipping; US Imports Muscling In," July 15, 2008.

<sup>31</sup> See USDA, FSIS, "Export Requirements for the Republic of Korea," as updated July 18, (continued...)

One of the first lots of bone-in beef (2.2 tons) processed under the new QSA program for Korea is expected to arrive by air in Seoul on July 28. This will be the first export of U.S. bone-in product to be shipped to Korea in 4½ years. This shipment is expected to be available for retail sale about August 10, after the inspection process is completed. An additional 180 tons are scheduled to be shipped by sea later.<sup>32</sup>

## Outlook

The April 2008 beef agreement is the latest step in the U.S. government's 4½-year effort to regain access to South Korea's lucrative beef market for the U.S. cattle and beef processing sectors. With both countries having taken their respective steps to put the beef agreement into effect, attention now turns to how Korea's quarantine inspection agency implements the new rules and the pace at which U.S. beef begins to reach consumers.

U.S. beef exporters seem to be cautious in deciding how much new beef to process under the AMS programs, watching first to see how quickly "pipeline" shipments from last fall are received by Korean consumers. To promote sales, the smaller shops now marketing U.S. beef are engaged in an aggressive marketing campaign, selling product at discount prices through the end of July.

The added requirement that beef be processed from cattle under 30 months of age is not expected to reduce potential sales volume, since the age of most U.S. cattle currently being slaughtered is younger. More important to watch will be the receptiveness of Korean households to U.S. beef, in light of the widespread public questioning of the safety of U.S. beef since early May. So far, Korean supermarket chains have not resumed large-scale purchases of U.S. beef, and instead are taking a wait-and-see approach. Only when they perceive that the public is open to purchasing U.S. beef will they likely place orders for significant amounts. For this reason, some observers now suggest that sales might take longer to recover than earlier expected. Nevertheless, on the expectation that the controversy will dissipate, U.S. exporters plan to institute a marketing campaign in South Korea that will again emphasize the lower price of U.S. beef and the quality of U.S. beef cuts.

The bilateral beef agreement is intended to resolve an issue that some Members of Congress said stood in the way of congressional consideration of legislation to implement the KORUS FTA. Now that South Korea has published its regulations to put the agreement into effect, these Members will likely carefully monitor how Korea's quarantine inspection agency implements them. However, while lifting the beef ban is widely regarded as a politically necessary condition for the Bush Administration to send this trade agreement to Congress, it has become a less and less sufficient condition, because of other opposition to the KORUS FTA (e.g., over its auto trade provisions) and increased opposition to FTAs generally. In other

---

<sup>31</sup> (...continued)

2008, at [[http://www.fsis.usda.gov/regulations\\_&\\_policies/Republic\\_of\\_Korea\\_Requirements/index.asp](http://www.fsis.usda.gov/regulations_&_policies/Republic_of_Korea_Requirements/index.asp)].

<sup>32</sup> Asia Pulse, "US Bone-in Beef Cuts To Arrive In Sth Korea Next Week: Importer," July 23, 2008.

words, even with sales of small amounts of U.S. beef expected in the near future, the Bush Administration still might not submit the agreement to Congress this year. One constraint is that trade promotion authority only provides for a maximum of 90 legislative days of congressional consideration once the President submits a trade agreement. With adjournment of the 110<sup>th</sup> Congress currently set for late September 2008, the Bush Administration faces a rapidly diminishing window to submit this FTA for a vote. If this does not occur, the decision on if, and when, to submit this FTA to Congress would be left to the next Administration. Under either scenario, most observers agree that U.S. beef sales to South Korea must be well underway before Congress would be willing to consider this trade agreement.

In South Korea, the beef agreement will continue to receive attention. The government has taken steps to hold accountable the TV network that broadcast sensational programs on U.S. beef that resulted in the candlelight vigils and public calls for changes to the beef agreement. Also, the ongoing parliamentary inquiry on how the Lee government negotiated the agreement (to be completed by August 20 unless extended) could affect the political climate for how quickly the National Assembly proceeds to take up the KORUS FTA and other important national issues. In the meantime, Korean quarantine officials can be expected to strictly implement the sanitary rules as imports of new shipments of U.S. beef are inspected and to be firm with their U.S. counterparts should problems arise.

## Appendix. International Standards to Prevent Spread of BSE in Beef Trade

The World Organization for Animal Health, frequently referred to by its French acronym OIE, is the scientific body recognized by the World Trade Organization as the international reference for matters of animal disease and health. One OIE responsibility is to develop health standards that countries can use to protect themselves against the introduction of animal diseases without setting up unjustified sanitary trade barriers.

Soon after countries (including the United States) introduced bans or restrictions on the import of products from ruminant animals (e.g., cattle, sheep, goats, deer, elk, buffalo) from countries where BSE had been discovered, the OIE developed guidelines and recommendations for countries to follow to manage BSE within their borders or to maintain their BSE-free status. These specify the conditions that should be applied to determine whether ruminant animals (e.g., cattle), meat products (e.g., beef), and listed byproducts can be imported or are prohibited from being imported, depending upon the exporting country's BSE risk status. The OIE uses three categories to designate BSE risk levels. A designation is based upon its analysis of a country's risk assessment that identifies the presence of or potential for the presence of BSE risk factors, and the measures it has adopted to mitigate the risk of BSE being transmitted to cattle and to humans. From low to high, countries with a "negligible risk" designation are subject to the least restrictive conditions for exporting ruminant animals and products. The "controlled risk" category means that OIE-recommended mitigation measures are in place to manage all identified risks of BSE in the country's cattle population. The "undetermined BSE risk" designation applies to a country that cannot demonstrate it meets the requirements of another category.

Irrespective of the risk level assigned, the OIE recommends that the veterinary agencies of importing countries allow for the import of a number of products without the need to meet any BSE-related condition. Included among these is "boned skeletal muscle meat" (i.e., boneless beef) from cattle 30 months of age or less that were not slaughtered using a specified stunning process to the head, had passed pre- and post-slaughter inspections, and were processed in a way to avoid contamination with tonsils and distal ileum — two tissues that are viewed as primary agents for transmitting BSE.

For a "controlled BSE risk" country, the OIE recommends that importing countries require a veterinary certificate attesting that fresh meat (e.g., boneless and bone-in beef) and meat products (e.g., offals) from cattle *of any age* were not slaughtered using the same stunning process, did pass pre- and post-slaughter inspections, and were processed in a way that ensures no presence of, or contamination with, agents that can pass BSE on to animals or humans. These agents are identified to be seven tissues (tonsils, distal ileum, brains, eyes, spinal cord, skull, and vertebral column), and mechanically separated meat from the skull and vertebral column (from cattle over 30 months of age). Further, the OIE recommends that there be no international trade in these seven specified cattle tissues, or a commodity contaminated by them, to prepare food, feed, fertilizers, cosmetics, pharmaceuticals, or medical devices, nor trade in any of these end products that contains these prohibited tissues. Depending upon the age of cattle, the OIE specifies which of these tissues, and products derived from them, should not be traded. Prohibited are tonsils and distal ileum from cattle of any age, and the five other tissues from cattle over 30 months of age when slaughtered.

This description is based on the "International BSE Standards" section in CRS Report RL32199, *Bovine Spongiform Encephalopathy (BSE, or "Mad Cow Disease")*: Current and Proposed Safeguards, and OIE's *Terrestrial Animal Health Code (2007)*, Chapter 2.3.13, "Bovine Spongiform Encephalopathy," available at [[http://www.oie.int/eng/normes/mcode/en\\_chapitre\\_2.3.13.htm](http://www.oie.int/eng/normes/mcode/en_chapitre_2.3.13.htm)].