Case #13a. U.S. Chickens Hit a Wall in the EU and UK

As Britain moved closer to Brexit and the EU approached elections in the Spring of 2019, the **Trump Administration** tried to put U.S chickens, which have been banned from EU and UK markets for more than 50 years, back on the negotiating table. When Europe banned American chickens at the time, the United States retaliated by imposing 25 percent tariffs on European trucks and vans, and the ban on American poultry and truck tariffs are still in place.

The Issue of U.S. Chickens in the E.U.

Candidates in the May 2019 EU Parliamentary election, both on the left and on the right, focused on an invasion of U.S. chickens as a way to dramatize the stakes in the EU Parliament vote. Among the candidates to bring up U.S. chickens were Yanis Varoufakis, a left-wing former finance minister of Greece, and Matteo Salvini, the leader of Italy's right-wing League party.

Food accounts for less than 3 percent of the \$1.3 trillion in trade between the United States and Europe, far behind products like chemicals, pharmaceuticals, vehicles or machinery. But **farmers** are among the most powerful political lobbies on both sides of the Atlantic, and trade is one area where the European Parliament wields significant power.

The key issues keeping U.S. chickens out of the EU and UK are potential contamination and safety of the birds and the use of chemicals to control possible contamination. **US National Chicken Council**, the lobbying arm of U.S. chicken growers, estimates that chlorine, the major target of EU and UK critics, is currently used in chilling systems and rinses in about 20-25% of processing plants in the US, a significant decrease from previous year. Many processors have switched to other washes such as peracetic acid (also known as peroxyacetic acid or PAA), cetylpyridinium chloride (CPC), organic acid rinses and others. Like chlorine, these alternative washes are currently banned for use in the EU, though that may change in the future. Most of the chlorine that is used in the US poultry industry is now used for cleaning and sanitizing processing equipment.

The EU does not allow producers to wash meat with any substance other than water unless the substance is explicitly approved by the **European Commission** (EC Regulation 853/2004). Advocates of this approach say that it leads to higher standards of hygiene and animal welfare because farmers must take care at each stage of the process rather than relying on a chemical bath to kill any harmful pathogens after animals are slaughtered.

Writing in the UK newspaper, The Telegraph, **US Ambassador to Britain, Woody Johnson**, recently attacked warnings that a post-Brexit trade deal would result in chlorine-washed chicken and hormone-pumped beef arriving on supermarket shelves. "You have been presented with a false choice," he wrote. "Either stick to EU directives, or find yourselves flooded with American food of the lowest quality. Inflammatory and misleading terms like 'chlorinated chicken' and 'hormone beef' are deployed to cast American farming in the worst possible light. It is time the

myths are called out for what they really are. A smear campaign from people with their own protectionist agenda," he said.

Johnson's article echoed previous remarks by US Agriculture Secretary Sonny Perdue who accused European countries of using dubious food safety concerns to keep American poultry out of their markets, even though the EU Food Safety Authority (EUFSA) has concluded that a widely used method for treating chickens with a chloride solution poses "no safety concerns for humans."

"There seems to be hiding behind sanitary and pythosanitary issues simply for protectionist purposes... we need to be willing to address things based on sound science basis and not hide behind that," Perdue stated. Perdue said he had told **EU Agriculture Commissioner Phil Hogan** that the US wants trade deals based on "sound science discovery and not perceived myths".



European and American negotiators have continued to meet. Cecilia Malmstrom, the European Trade Commissioner, and Robert Lighthizer, the United States trade representative, met in Paris in May 2019 before the EU parliamentary elections.

Lighthizer noted that the European Union sold \$10.4 billion more goods like wine and cheese to the United States last year than it bought. And the EU has restrictions. For example, Wisconsin cheese producers are not allowed to sell their Parmesan or feta in Europe. The names are

restricted for use from regions in Italy and Greece that traditionally produce them. "Europeans can sell their Asiago, Parmesan, feta, etc., in Wisconsin, but cheesemakers like me are blocked from selling Wisconsin cheeses by the same names in Europe," Errico Auricchio, president of U.S.-based BelGioioso Cheese, and head of the **Consortium for Common Food Names**, a lobbying alliance that has asked Mr. Trump to ban imports of food products that Americans cannot sell in Europe.

The Issue of U.S. Chickens in the U.K.

The prospect of chlorine-washed chicken flooding into the UK as the price of a post-<u>Brexit</u> trade deal with the US has garnered a great deal of attention.

US Agriculture Secretary Sonny Perdue challenged misplaced perceptions over US poultry in a meeting with Michael Gove, UK Secretary of State for Environment, Food and Rural Affairs (EFRA), accusing him of "disparaging of US poultry." Gove had recently made clear that the UK would still not be willing to accept chlorine washed chicken once the country leaves the EU and starts pursuing its own bilateral free trade deals.

UK politicians are not of a single mind on the issue. UK International Trade Secretary Liam Fox has suggested chlorine-washed chicken is merely a "detail" to be agreed at the end of complex negotiations while the Michael Gove has insisted that is is a "red line" in talks with Washington.

Mr Fox has insisted that "Americans have been eating it perfectly safely for years". A 2017 report published by the **UK Adam Smith Institute**, entitled "Chlorinated Chicken: Why you shouldn't give a cluck", said that fears over treated poultry were overblown. (The **Adam Smith Institute** is the UK's leading free market neoliberal think tank.) It cited **European Commission** figures indicating that a person would have to eat 5 per cent of their own body weight of chlorine-washed chicken in one day to be exposed to harmful levels of chlorate, a chlorine byproduct.

Using US government data from 2015, the Adam Smith Institute's (ASI) research calculates that US consumers pay 21 per cent less for a kilogramme of chicken than their counterparts in the UK. ASI therefore advocated negotiating a trade deal that would allow for imports of chlorine-treated meat. The ASI report also states that the US poultry industry is "far more efficient than that of its European counterparts, making it well-placed to drive down the cost of chicken meat in a post-Brexit UK".

The Issue of U.S. Chickens in the Council of Europe

The EU has set a maximum residue level of 0.01mg of chlorate per kg of food. It is not clear how much chlorate is present, on average, in chicken that has been washed with chlorine.

The **European Food Safety Authority (EFSA)** said in 2015 that chlorate is a potential health concern for children but the total intake in current European diets was not enough to cause concern.

In a 2005 study, the EFSA found that treating poultry carcasses with the four most-commonly used antimicrobial substances "would be of no safety concern". It also said that spraying the carcasses rather than dipping or immersing them, as is done in some US farms, would limit the amount of exposure to chemical residues.

However, in 2008, the **Council of Europe**, a European organization founded in 1949 to protect human rights, rejected a European Commission proposal to allow the use of antimicrobial chicken rinses containing chlorine, which it said can, "lead to the formation of chloroorganic compounds, several of which are persistent, bioaccumulable or carcinogenic". In other words, the compounds can cause cancer, are hard to get rid of and have a tendency to build up over time when repeatedly absorbed by living in organisms.

The **Council of Europe** did not say anything about how much of the substance someone would have to consume to increase the risk of cancer.

The aforementioned 2008 **Council of Europe** decision said that washing chicken with chlorine, "can pose a risk to the aquatic environment, the health of staff working in waste water systems and the operation and performance of sewerage systems and/or wastewater treatment plants".

Chlorine in Existing E.U. Fruits and Vegetables

A recent study by the **EU Chemical and Veterinary Inspection Office (CVAU)** found that 10 per cent of 4,300 fruit and vegetable samples from within the EU had a level of chlorate higher than the 0.01mg/kg maximum level set by the EU, with some samples exhibiting hundreds of times more.

The **CVAU** said: "Throughout the food production process there is a multitude of different paths with which food can be contaminated with chlorate. One of the main contributors is surely the use of chlorinated water e.g. for irrigation in the field, for the washing of crops, for the disinfection of surfaces in food production premises or for the production/processing of food (e.g. juice from concentrate)."

Contamination Concerns about Chicken in the U.S.

In 2014, an <u>investigation</u> by the respected independent US non-profit organisation, Consumer Reports, found that 97 per cent of 300 chicken breasts it tested from across America contained harmful bacteria including Salmonella, campylobacter and E.Coli.

A 2013 study by the U.S. Centers for Disease Prevention and Control - the US federal health protection agency - analysed outbreaks of foodborne illnesses between 1998 and 2008 and found that "more deaths were <u>attributable to poultry</u> than any other commodity".

More than half of the samples in the Consumer Reports study contained faecal contaminants and a similar amount harboured at least one bacterium that was resistant to three or more commonly prescribed antibiotics.

A 2016 study by the **UK Food Standards Agency (UKFSA)** found comparable levels of contamination in the UK-- half of chicken samples taken from retailers were infected with multi antibiotic-resistant campylobacter.

A 2015 World Health Organization (WHO) study found that rates of campylobacter infection were similar in the EU and North America. However, it also revealed that infection rates for Salmonella typhi and Salmonella paratyphi were, respectively, four times and five times higher in North America than in Europe.

Chicken, the EU, the UK, and Trade

If the EU, with its 510 million consumers, was unable to persuade giant US agriculture firms to accept higher environmental standards, the UK, with 65 million, will likely find it difficult to do so, whether Michael Gove, UK Secretary of State for Environment, Food and Rural Affairs (EFRA), sees it as a "red line" or not.

If the UK were to allow treating meat as the price of a free trade deal with the US it would also make it difficult to sell British meat into the EU.

In 2014, Monica Goyens of the **European consumer protection NGO BEUC** wrote: "Essentially, what we are concerned about is not just the chemical itself, but rather the risk that these treatments will be seen as the "easy fix" to clean up dirty meat. Let's be clear – no chemical rinse will ever remove all bacteria from meat heavily contaminated as a result of poor hygiene." (The **BEUC** is an umbrella consumers' group, founded in 1962. Based in Brussels, Belgium, it brings together 45 European consumer organizations from 32 countries.)

The British Poultry Industry Defends Its Turf

"We know that British consumers trust nothing other than British chicken," says **British Poultry Council (BPC)** chief Richard Griffiths. Griffiths flatly rejects the notion of importing chlorine-washed chickens as part of a makeweight (trade-off to balance UK-US trade) in trade negotiations with the US.

"We are proud to produce wholesome, nutritious and affordable food for the UK population. We also know that British consumers trust nothing other than British chicken," he says. "The UK poultry meat industry stands committed to feeding the nation with nutritious food and any compromise on standards will not be tolerated. A secure post-Brexit deal must be about Britain's future food security and safety. This is a matter of our reputation on the global stage."

There won't be any change to poultry on sale in the UK while it remains part of the European Union. And the **U.K. Department of International Trade (DIT)** is naturally keen to stress it's still early days for trade negotiations and therefore far too early to tell what terms a future UK-US trade deal might be based on.



The **UK National Farmers' Union (NFU)** has also raised concerns over food safety and animal welfare standards when future trade deals are negotiated. "It is imperative that any future trade deals, including a possible deal with the US, do not allow the imports of food produced to lower standards than those required of British farmers," said the NFU president, Minette Batters.

Jim Moseley, the CEO of **Red Tractor Assurance**, which oversees standards on many British farms, said: "Categorically, the UK's food standards are now under threat from the commercial appetites of the United States food lobby. We urge the government not to sacrifice legislation which prevents these sort of products from being sold in the UK.

"British people deserve better than having their world-leading food standards sold out from underneath them. Our research shows that shoppers look for food that has been produced to the highest standards of food safety, animal welfare and traceability.

"A deal that allows illegal products to be brought into the UK, lets down the British public and undermines all the investment and efforts of British farmers. This cannot be the right thing to do."

A Downing Street (UK Government) spokeswoman insisted: "We have always been very clear that we will not lower our food standards as part of a future trading agreement."

https://www.theguardian.com/politics/2019/mar/02/us-ambassador-to-uk-woody-johnson-under-fire-over-defence-of-chlorinated-chicken-post-brexit-jay-rayner

ACTORS IN THE CASE

US Actors

US Poultry Industry--US National Chicken Council (US Chicken)

Consortium for Common Food Names (CCFN)

US Government Trade Promotion Advocates (including US Ambassador to Britain, Woody Johnson, US Agriculture Secretary Sonny Perdue, and Robert Lighthizer, the United States trade representative) (US Trade)

Trump Administration (Trump)

UK Actors

British Poultry Council (BPC)

UK National Farmers' Union (NFU)

Red Tractor Assurance (RTA)

UK Food Standards Agency (UKFSA)

U.K. Department of International Trade (DIT) & DIT Secretary Liam Fox (UKDIT)

UK Food Safety Michael Gove, UK Secretary of State for Environment, Food and Rural Affairs (EFRA)

UK Government

Adam Smith Institute (ASI)

EU Actors

European Commission (EC)

Cecilia Malmstrom, European Trade Commissioner (Malmstrom)

EU Food Safety Authority (EUFSA)

EU Agriculture Commissioner Phil Hogan (EU Ag)

EU Chemical and Veterinary Inspection Office (CVAU)

European consumer protection NGO BEUC

Case Questions:

- 1. (3) Summarize the power situation US Chicken faces in this case. (200 words. Be sure to include a "summary" of your summary!)
- 2. (3) Define what model you think will best describe the public policy decisionmaking of
 - a. The UK government
 - b. The EU government
 - c. The US government

Be sure to explain your choice [120 word limit].

- 3. (4) <u>Diagram</u> the most likely case scenario for how the case will play out over the next 12 months.
- 4. (3) What should US Chicken's strategy be going forward to gain access to the UK and EU markets?
- 5. (3) What should the British Poultry Council (BPC) strategy be to protect its turf?

In answering Q's 4 & 5, be sure to cite and be consistent with your answers to Q's 1, 2 & 3.

Appendix 1. How safe is that chicken?

You would think that after years of alarms about food safety—outbreaks of illness followed by renewed efforts at cleanup—a staple like chicken would be a lot safer to eat. But in its latest (2014) analysis of fresh, whole chicken by **Consumer Reports**, the well-respected U.S. consumer protection magazine, bought at stores, two-thirds harbored salmonella and/or campylobacter, the leading bacterial causes of foodborne disease. Each year, salmonella and campylobacter from chicken and other food sources infect million Americans, send thousands to hospitals, and killing about 500, according to estimates by the U.S. **Centers for Disease Control and Prevention**. But the problem might be even more widespread: Many people who get sick don't seek medical care, and many of those who do aren't screened for foodborne infections, said Donna Rosenbaum, executive director of **Safe Tables Our Priority**, a national nonprofit food-safety organization in the U.S..

To minimize contamination, processors of poultry (and of meat and seafood) follow federally mandated procedures collectively known as Hazard Analysis and Critical Control Point (HAACCP). Those measures are in effect in slaughterhouses and processing plants and are the consumer's main protection against contaminated chicken. HACCP, implemented for poultry and meat plants in 1997, requires companies to spell out where contamination might occur and then institute procedures to prevent, reduce, or eliminate it.

Inspectors for the **U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS)** monitor chicken companies' HACCP plans. Poultry plants have improved, and 90+ percent of eligible plants meet that standard, according to FSIS projections.

Despite modest improvement in some numbers, **Consumer Reports** findings suggest that most companies' safeguards might be inadequate.

Bruce Stewart-Brown, Perdue's vice president of food safety and quality, and a doctor of veterinary medicine, told us the company has increased its salmonella vaccinations over the past few years. That's designed to prevent chicks from picking up the bacterium from their mothers. Further protections, Stewart-Brown said, include an "all-in, all-out production model" --flocks are cleared out completely. Between flocks, farmers dry the empty chicken houses (which kills bacteria) and often use a product that temporarily changes the pH of the ground (to make it inhospitable to bacterial growth). Stewart-Brown also says that Perdue has implemented 25 food-safety steps at its processing plants.

Tom Stone, director of marketing at Bell & Evans, which produced those clean chickens, said the company has started packaging its products with a machine that seals the edges with film and

shrinks the material, so there's no need for a "diaper" under the chicken to sop up fluids. "Our chickens are air-chilled and carry the 'No Retained Water' statement," he said.

The government's food-safety rules require chicken processors to identify "critical control points" where contamination might occur, then establish procedures for preventing, eliminating, or reducing those hazards. As our tests show, nothing guarantees a clean chicken. The contamination rate can vary with what the birds are fed, the preventive measures used, growing conditions, and the time of year, says Michael Doyle, Ph.D., director of the University of Georgia's Center for Food Safety. The procedures differ among plants; those outlined here are a possible scenario.



In the hatchery

Some chicks are contaminated with salmonella from their mothers or their own shells during hatching. Others ingest bacteria from their surroundings. Live birds infected with campylobacter or salmonella usually show no symptoms. To reduce the risk to people, some companies vaccinate hens and chicks against salmonella.



In the chicken house

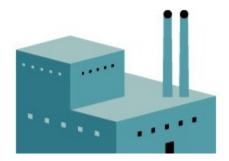
Usually a new flock of thousands of chicks is trucked to a house run by a farmer according to the poultry producer's specifications. Chickens habitually peck the ground, ingesting bacteria from litter and feces, and could be exposed to vermin. Companies try to keep germ carriers away and continuously monitor the flocks' general health. Antibiotics are used to prevent or treat illness

and might also be given to speed chickens' growth. But treated birds can't be sold as USDA-certified organic.



On the road

Chickens travel to the processing plant in cages. Filth can spread.



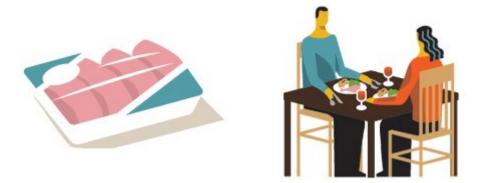
Processing plant

See In the processing plant.



After processing

Companies take steps to ensure their packaged chickens are properly refrigerated during shipping and delivery to market. Federal regulations require transport at a temperature no higher than 40° F.



In your kitchen

Cooking chicken thoroughly, to at least 165° F, and washing anything that comes in contact with raw chicken greatly reduces risk.

Source: Consumer Reports