

Update on Lamb Imports – October 2023

ASI hired a top law firm specializing in trade in May and agreed to fund preliminary investigations into violations of U.S. trade law by lamb importers with the two cases recommended; countervailing duty (subsidized production) and anti-dumping (sales below production costs or at prices lower in U.S. than a home market). The ASI Guard Dog fund has spent over \$55k this summer and the ASI Executive Board met five times on the topic.

The results were shared to the ASI Board in late September with legal recommendations not to pursue either of the two cases due to lack of evidence of subsidies/dumping to suggest winning significant trade relief for the American sheep industry.

ASI shared the requests for confidential injury surveys to hundreds of sheep producers, lamb feeders and lamb companies' multiple times in June and July as well as 3 virtual meetings. The firm received 35 from producers, 6 from feeders and 2 from companies. Injury could be shown pre-liminary but questionable in a final determination.

This is the third trade investigation of lamb imports involving ASI in six years.

The ASI Executive Board polled their regional members and found limited interest in financial or political support of the investigation beyond the 8 western states and national lamb feeders. These groups asked ASI in April to investigate lamb imports with ASI legal funds. Lamb markets in Texas to the north and east have been largely favorable for years. 2021 represented the highest prices for live lambs in history, both traditional and non-traditional lamb markets. All producers are dealing with extreme inflation in production expenses.

Regarding the letter of R-Calf asking the federal government to launch a section 201 trade case at taxpayers' expense plus seek federal legislation to restrict lamb imports for ten years; we asked our law firm of Kelley Drye for opinions, and they shared there is no evidence to win a section 201 trade case.

Following four months of investigation and the fact that this lawyer won the 201 trade case for ASI in 1999, the opinions are clearly from an informed source.

Further, the firm questioned the letter versus filing a legal petition of a 201 trade case.

Additionally, they relay the request of the U.S. congress to restrict imports of lamb meat is inconsistent with U.S. law.

ASI would have to throw away the current advice of legal and lobby professionals to support a trade case or statutory restrictions on imported lamb.
(this quote was shared to the R-Calf office last week)

Other organizations will make requests of the Biden Administration and the Congress, to investigate the impact of lamb imports. ASI encourages responsible expectations to be shared with membership and congressional offices.

The ASI memorandum from the law firm is clear that none of the 3 U.S. trade laws provide a successful path to impacting lamb imports or American lamb prices. The memorandum further clarifies that legislating restrictions such as quotas or tariffs via the U.S. Congress is not viable. There are examples in agriculture of commodities that have statutory import controls such as the beef industry, which was legislated in 1964 as the Meat Import Act. Several updates were done by Congress in 1969, 1978 and 1986; all specifically excluded lamb under the restrictions. Decades have passed since Congress restricted imports by statute. The U.S. and AU did a trade agreement under the Bush W Administration.

ASI successfully fought the USDA rule allowing sheep and sheep product importation from countries banned in the late 1990's due to cattle BSE. A rule was proposed to drop the ban in 2009, however the association kept the ban in place through 2020.

U.S. Senator Barrasso of WY introduced legislation this congress that will halt USDA from implementing the rule issued by the Biden Administration to allow importation from UK, Mexico, Canada, Europe until a study has been completed on the disease and health protocols in place.