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*Equal Opportunity in Employment and Services*

**Testimony of Chuck Fleming  
HB 1326  
Senate Agriculture Committee  
Roosevelt Room  
March 6, 2009**

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Chairman Flakoll and members of the Senate Agriculture Committee, I am Chuck Fleming, Marketing Director for the North Dakota Department of Agriculture. I am here today in support of HB 1326, which would allow the Board of Animal Health to provide inspection and verification services to a beef producer for the purpose of certifying that cattle have been or are being raised according to standards and protocols established by the producer. It also allows the Board of Animal Health to establish and charge fees for the requested services.

If this bill is passed, producers requesting certification would have an advantage when marketing their product to customers that are sensitive to or have requirements of how cattle are produced, fed, and handled. One important example of this marketing advantage is the South Korean market.

Our office has been active in promoting beef products to South Korea. Commissioner Johnson was part of a North Dakota trade team traveling to South Korea in 2008 and there is no question that there are tremendous opportunities for North Dakota to sell beef to Korea. While the South Korean beef market has been politically volatile, the demand for U.S. beef now appears very strong. Attached is an article written by Blaine Harden of the Washington Post Foreign Service dated Wednesday, December 10, 2008, illustrating the change in South Korean consumer sentiment.

The current beef trade agreement with South Korea requires that all U.S. beef exported to South Korea be from cattle slaughtered before the age of 30 months. The requirement is believed to reduce the risk of mad cow disease, has bolstered consumer confidence and is dramatically increasing demand.

In September of 2008 our office received a request from South Korea to help them source twenty-eight containers of various cuts of North Dakota beef. They wanted that amount EACH month. Of course, North Dakota is not currently able to consistently supply such amounts.

The Department and other state and federal officials have also been working with another South Korean company interested in establishing a joint venture to build a plant in North Dakota to supply the South Korean market. They spent a considerable amount of time in our state and are establishing an office in Bismarck. We have provided them with the 1997 study completed to determine the feasibility of building a meat processing plant in the state. They have recently received an APUC grant. This company appears to have the knowledge and financial resources to make this plant a reality. They believe that by having joint ownership, they will have the confidence of the South Korean people, who are wary of the large conglomerate U.S. meat packing companies.

The beef market is highly competitive. This bill, allowing the state to verify and certify standards and protocols, could provide important assurances to not only the South Korean market, but other foreign and domestic niche markets.

Chairman Flakoll and committee members, I urge a “do pass” on HB 1326 and would be happy to answer any questions.

# Article relating to market potential for US Beef in Korea

By Blaine Harden  
Washington Post Foreign Service  
Wednesday, December 10, 2008; A20

SEOUL, Dec. 9 -- [South Korea's](#) beef over U.S. beef is finally over.

So are the months of anti-beef rallies and riots that paralyzed downtown Seoul this year and cost South Korea an estimated \$2.5 billion. So are the human chains of concerned housewives surrounding meat lockers containing U.S. beef. So are the beef-focused apologies of South Korean President [Lee Myung-bak](#), whose dreadful poll numbers forced him to beg voters to forgive him for failure to "fathom the people's mind."

Now, in the winter of their consumerism, the people have changed their mind.

Low-priced U.S. beef has appeared in supermarkets here in recent days, after a decision by three major retailers to start selling it again, and the reaction has been brisk business and no political fuss. Fifty tons of U.S. beef disappeared from shelves the first day it was offered for sale.

"It is our national character to get upset easily and then to forget all about it," said Park Eun-ah, 48, a romance novelist who lives in Seoul and Paris.

Park was at the meat counter at E-Mart, a large supermarket, where he had just purchased a package of barbecue beef imported from the United States. Park noted with pleasure that it was much cheaper than beef from South Korea.

Although the hysteria over U.S. beef is gone, a bitter aftertaste remains. The JoongAng Daily, a major newspaper here, said in a recent editorial that the episode had tarnished South Korea's international image.

The protests "showed that many people in this country lack scientific commonsense and chose to believe scurrilous stories instead," the paper said. "Sensationalism and distortion snatched the ground from the feet of scientists and experts."

Trouble began in April after Lee decided during a visit to Washington to lift a ban imposed in 2003, when the first U.S. case of mad cow disease was confirmed in Washington state.

By agreeing to allow U.S. beef into his country again, Lee intended to remove a major obstacle to congressional approval of a free trade agreement that experts said could increase South Korea-U.S. trade by about \$20 billion a year.

His decision backfired. Long-standing worry about U.S. beef exploded into a formidable grassroots political movement. Night after night, as spring turned into summer, thousands of middle-class parents brought their children to a central square in Seoul, where they held up candles and grumbled about American beef.

"I am afraid of American beef," Cha Yoon-min, 13, told [The Washington Post](#) in June after attending a protest with his mother, a lawyer. "I could study hard in school. I could get a good job, and then I could eat beef and just die."

A television news program aired thinly sourced -- and later, scientifically refuted -- claims that Koreans carry a gene making them more susceptible to mad cow disease than Americans. Rumors spread that school lunch programs would soon be the dumping ground for deadly U.S. beef.

Leftist labor groups and political parties that had been defeated by Lee's party in a 2007 election seized on the protests -- and on ambient anti-American sentiment in South Korea -- to embarrass the president and blunt his authority. Their organizational skills and money helped fuel the candlelight rallies.

On many nights, the rallies turned into violent confrontations with police. When candles had burned out and children had gone home with their parents, a hard-core group of protesters often attacked riot-control buses, slashing tires and smashing windows.

Lee's government was weakened. His entire cabinet offered to resign, and several senior advisers quit. Under pressure, Lee demanded a new deal with the United States that requires that all U.S. beef exported to South Korea come from cattle slaughtered before they are 30 months old, which is believed to reduce the risk of mad cow disease.

In addition, the president apologized twice on national television.

Although many protesters said they would not be content until Lee resigned, their major demand had been met. Rallies in Seoul petered out over the summer.

At E-Mart, signs above the meat counter explain why U.S. beef is safe, nutritious and delicious.

On a recent morning, some shoppers seemed to need reassurance. They read the signs carefully and asked butchers if the beef was really safe. Many shoppers, though, simply grabbed U.S. beef and moved on.

Shin Mija, 40 was caught in the middle. She was happy to be able to buy U.S. beef again but said her two teenagers would not eat it. During the spring and summer, she said, her children had been convinced by protesters that American beef would give them mad cow disease.

Shin bought it anyhow. She said she would tell her kids it came from Australia.

*Special correspondent Stella Kim contributed to this report.*