



## INTERNATIONAL AFFAIRS

### **ISSUE:** INTERNATIONAL FREE TRADE AGREEMENT NEGOTIATIONS

**IMPORTANCE:** The U.S. meat and poultry industry benefits from Free Trade Agreements (FTAs) the U.S. Government negotiates with other countries. The Trump Administration removed the U.S. from the Trans Pacific Partnership (TPP) agreement, which the U.S. signed in February 2016, but negotiated the U.S.-Mexico-Canada Agreement (USMCA) and Phase 1 Trade Agreements with China and Japan — representing four of the U.S.’s most important export markets for beef, pork, lamb, and turkey products.

In June 2019, Mexico was the first of the three countries to ratify the USMCA. In December 2019, Congressional Democrats and the Trump Administration reached an agreement on specific provisions in the USMCA, after which the U.S., Canada, and Mexico signed the revised agreement in Mexico City on December 10. The agreement passed the U.S. House on December 19, by a 385-41 margin, passed the U.S. Senate on January 16, 2020. Canada’s Parliament became the final signatory to ratify the agreement in March 2020. USMCA entered into force July 1, 2020.

The Administration also signed a new agreement with Japan on October 7, 2019, covering agricultural goods trade. The Japanese Diet, the country’s legislative body, approved the agreement in early December 2019. The agreement, which does not require U.S. Congressional approval, entered into force January 1, 2020. The agreement reduces tariffs on U.S. beef and pork exports to Japan to the same rates as those currently being paid by Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries and the European Union.

NAMI continues to closely monitor, and provide guidance when appropriate, in negotiations with the United Kingdom and Kenya, and stands ready to work with the U.S. government to support negotiations with additional countries. Importantly, Trade Promotion Authority (TPA), the legislative vehicle that Congress uses to set trade negotiating objectives and to consider implementing legislation for trade agreements under expedited procedures, expires July 1, 2021. FTAs with the UK and Kenya, for instance, must be agreed to by April 1, 2021, to qualify under current TPA rules for Congressional consideration next year. It is unclear whether the incoming Biden Administration will prioritize TPA renewal because of its expected focus on the domestic economy and COVID-19.

The Trump Administration in 2018 also completed renegotiation of the US – Korea FTA (KORUS), which has largely been a beneficial agreement for the U.S. meat and poultry industry. Indeed, U.S. exports of beef to Korea in 2019 were up 7% in volume and 5% in value (to \$1.84 billion!) compared to 2018. In 2019, NAMI actively conducted outreach on Capitol Hill, to the Office of the U.S. Trade Representative (USTR) and to USDA, providing specific negotiating objectives for the negotiations with Japan, China, the European Union, and United Kingdom, in



the wake of Brexit. Our primary message to all parties has been “do no harm to agricultural trade,” especially meat and poultry exports. The following are NAMI’s guiding principles for all trade agreement negotiations:

1. The negotiations must be comprehensive, with no product or sector exclusions, and be a “single undertaking” whereby all sectors and chapters are negotiated concurrently.
2. Meaningful market access through elimination or reduction of all import duties and tariff-rate quotas (TRQs) in the shortest time period possible.
3. Science and risk-based decision making, and not the precautionary principle, must be used to address both current and future SPS barriers. This includes adopting internationally-recognized standards established by the Codex and the OIE.

**OBJECTIVES:** To serve as the lead packer association to develop trade policy strategies with U.S. Government negotiators. To continue a leadership role in the U.S. Food and Agriculture Dialogue for Trade, representing over 200 U.S. agricultural trade associations and companies interested in completing successful agricultural trade negotiations.

**ACTION STEPS:**

- Serve as a leader in industry coalitions concerning international trade policy and current/future trade negotiations, including the U.S. Food and Agriculture Dialogue for Trade, the Meat and Poultry Industry Trade Policy Council (now part of the NAMI International Trade Policy Committee), and the USDA Agricultural Technical Advisory Committee.
- Continue to advise USTR negotiators, USDA, and other government agencies to increase market access for beef, pork, lamb, and poultry products in trade negotiations.