



NAFTA's Positive Impact on U.S. Meat Trade

The U.S. meat and poultry industry accounts for one of the largest segments of the U.S. agricultural economy, contributing more than \$16.22 billion to the estimated \$135 billion in agricultural exports in 2016. U.S. meat and poultry exports to the North American market represented more than 35 percent of total industry exports in 2016. Under the North American Free Trade Agreement (NAFTA), U.S. meat and poultry exports to Canada and Mexico have thrived as import duties were removed and non-scientific barriers to trade have been significantly reduced. Today, the North American meat industry is fully integrated, with consumers in all three countries enjoying the safest, highest quality meat products in the world.

NAFTA Benefits the U.S. Economy

Since the entry into force of NAFTA in 1994, total U.S. exports to Canada and Mexico have tripled, growing more rapidly than U.S. trade with the rest of the world. In 2016, U.S. exports to Canada and Mexico totaled \$266 billion and \$231 billion, respectively. Exports to our NAFTA partners add an estimated \$80 billion to the U.S. economy and support more than 14 million American jobs, 5 million of which are net jobs resulting from the increase in trade generated by NAFTA. These jobs make possible the \$1.36 billion in products the U.S. ships to Canada and Mexico each day.

NAFTA Benefits Meat Trade

Since the agreement was enacted, U.S. food and agricultural exports to Canada and Mexico have more than quadrupled — growing from \$11 billion in 1993 to more than \$43 billion in 2016. This growth has been especially positive for those employed by the U.S. meat and poultry industry, including producers, processors, packaging and transportation companies, and ranchers, among others.

U.S. red meat and poultry exports to Canada and Mexico in 2016 exceeded \$5.3 billion, or 32.7 percent of total red meat and poultry exports. The NAFTA market for the meat and poultry industry is nearly completely integrated and is essential to the long-term viability of the U.S. meat and poultry industry. Under NAFTA, U.S. meat exports enjoy zero-tariff market access to both countries.

Beef

In 2016, approximately 9.8 percent, or 256 million pounds, of all U.S. beef exports were shipped to Canada, according to USDA. Meanwhile, U.S. beef exports to Mexico in 2016 accounted for 20 percent of total beef exports, or 534 million pounds. Combined, the two NAFTA trading partners imported 27 percent of all U.S. beef exports in 2016. U.S. beef exports to Canada were valued at \$758 million in 2016 and beef exports to Mexico totaled \$975 million in 2016. These figures reveal that Mexico and Canada were the third- and fourth-largest U.S. beef export customers, respectively, in 2016. Mexico is also the leading destination for U.S. beef variety meat.

Pork

After the entry into force of NAFTA, the Mexican and Canadian markets for U.S. pork products grew exponentially, and now account for approximately 40 percent of U.S. pork export volume. In 2016, U.S. pork exports to Mexico in 2016 set a fifth consecutive record, totaling 730,316 metric tons in volume and \$1.36 billion in value, or nearly 31 percent of all U.S. pork exports. Pork exports to Canada in 2016 amounted to 537 million pounds, or around 10 percent of total U.S. pork exports. In 2016, Mexico was the largest volume market and the second largest value market for U.S. pork exports, whereas Canada was the fourth largest volume and value market for U.S. pork exports.

Poultry

U.S. chicken and turkey products have greatly benefited from NAFTA. In 2016, U.S. poultry exports were 7.4 billion pounds, approaching 15 percent of total production. Mexico proved the largest single customer for U.S. poultry exports in 2016, followed by Canada. Mexico imported 21 percent of all U.S. poultry exports, while Canada received more than 5 percent of U.S. poultry exports.

Modernizing NAFTA

The Meat Institute is focused on improving the U.S. position in the North American market and looks forward to working with Congress and the Administration to modernize NAFTA in ways that preserve and expand upon the gains achieved, including by:

- Preserving current zero tariff market access for U.S. meat and poultry products in both Canada and Mexico;
- Maintaining consistent standards for animal health certification;
- Ensuring science-based sanitary and phytosanitary measures are developed and implemented;

- Preventing the misuse of geographical indications to ensure they do not unjustifiably restrict trade in common agricultural products; and
- Avoiding mandatory country-of-origin labeling requirements for meat from livestock born in Canada or Mexico.

The Meat Institute supports trade agreements that increase market access and drive industry growth.

Sources

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