## Congress should ratify USMCA trade deal now

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When it comes to trade, America's farmers and ranchers know a good deal when they see one. After private and public analysis, it is clear that the recently negotiated U.S.-Mexico-Canada Agreement is good news at a time when we need it most. Not only does USMCA help lock in the quadrupling of U.S. agricultural exports to our neighbors accomplished over the last 25 years, but it also includes reform of a number of trade rules and is projected to further increase our exports to two of our most important markets.

In this time of economic challenge for agriculture, it is vital that Congress ratify this trade deal now.

The food and farm products grown by America's farmers and ranchers are among the world's highest quality and most competitive. Traditionally, about 25 percent of all our farm products, by value, are exported to other nations. While that key measurement speaks volumes about the demand for U.S. farm products in the international marketplace, nowhere is our advantage clearer than in our two markets closest to home.

USMCA will not only help secure the gains U.S. agriculture made under the previous North American Free Trade Agreement, but according to a study last month by Purdue University, <u>USMCA could also increase U.S. net exports to Canada and Mexico by another \$454 million.</u>

Demand is more important than ever because on the supply side America's farmers and ranchers are farming more efficiently across the board. For example, the Agriculture Department just reported that while farmers harvested fewer acres of soybeans this past year, they produced a record 4.54 billion bushels due to higher yields.

In order to move that supply, USMCA builds demand through trade with our neighbors. Reaching that point was tough and there were, and continue to be, some bumps in the road, such as our tariffs on steel and aluminum imports that have led to retaliatory tariffs against our ag exports. But overall, U.S. trade negotiators – and likewise their counterparts from Mexico and Canada -- should be commended for striking this deal that gets a whole lot right by looking at the bigger picture.

When it comes to agriculture, our negotiators definitely put their best foot forward. USMCA builds new market access for dairy and poultry products and maintains the zero-tariff platform on all other ag products. For U.S. dairy farmers, USMCA

eliminates aspects of Canada's dairy program (Classes 6 and 7) that had been used to undercut U.S. sales of dried milk products. Under the agreement, U.S. dairy products gain access to an additional 3.6 percent of Canada's dairy market.

Access for U.S.-grown food also increases due to USMCA's inclusion of important provisions surrounding geographic indication standards in Mexico. That will help ensure that U.S. products, such as mozzarella, cheddar and provolone cheese, among others, do not face restrictions due to the mere use of common names. In addition, both Canada and Mexico adopted guidelines that make it more difficult to register any new geographic indicators that generally would be considered common food names.

For the first time, USMCA also includes measures that address cooperation, information sharing and other trade rules among the three nations related to agricultural biotechnology and gene editing. That should help prevent trade barriers based on how plants are bred, and that could help set a standard when the issue comes up with other nations, such as China.

Also included are technical provisions to reduce other trade-distorting policies, increase transparency and help ensure non-discriminatory treatment of ag products among the three nations. For example, Canada has agreed to grade imports of U.S. wheat in a manner no less favorable than their own. And Mexico and the United States agreed that all grading standards for ag products will be non-discriminatory. For ag products, there are also provisions that enhance science-based standards for sanitary and phytosanitary measures, which in the past have been used as non-tariff trade barriers.

Overall, this was a hard-fought win and we commend the administration for this effort to solidify the trading relationships we have with our North American neighbors.

U.S. farmers and ranchers have worked hard to build markets and be reliable suppliers to both countries. Now it's up to Congress to seal the deal by ratifying USMCA in a timely manner. America's farmers and ranchers depend on good relationships with our two closest trading partners, and they are depending on Congress to ratify USMCA.

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