The U.S. Trade Policy Landscape in 2019

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The Highlights

Setting the Stage

The Trump Trade Agenda

(Re)Negotiating Trade Deals - NAFTA

(Re)Negotiating Trade Deals - Beyond North America

Trade in 2019
Setting the Stage
U.S. Ag Exports by the Numbers
<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Exports (Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Canada</td>
<td>$20.5 Billion</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>$19.6 Billion</td>
</tr>
<tr>
<td>3</td>
<td>Mexico</td>
<td>$18.6 Billion</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>$11.9 Billion</td>
</tr>
<tr>
<td>5</td>
<td>EU</td>
<td>$11.5 Billion</td>
</tr>
<tr>
<td>6</td>
<td>S. Korea</td>
<td>$6.9 Billion</td>
</tr>
<tr>
<td>Rank</td>
<td>Commodity</td>
<td>Value</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>---------</td>
</tr>
<tr>
<td>1</td>
<td>Soybeans</td>
<td>$21.6 Billion</td>
</tr>
<tr>
<td>2</td>
<td>Corn</td>
<td>$9.1 Billion</td>
</tr>
<tr>
<td>3</td>
<td>Tree Nuts</td>
<td>$8.5 Billion</td>
</tr>
<tr>
<td>4</td>
<td>Beef</td>
<td>$7.3 Billion</td>
</tr>
<tr>
<td>5</td>
<td>Pork</td>
<td>$6.5 Billion</td>
</tr>
<tr>
<td>6</td>
<td>Wheat</td>
<td>$6.1 Billion</td>
</tr>
<tr>
<td>7</td>
<td>Prepared Food</td>
<td>$5.9 Billion</td>
</tr>
<tr>
<td>8</td>
<td>Cotton</td>
<td>$5.8 Billion</td>
</tr>
<tr>
<td>9</td>
<td>Dairy</td>
<td>$5.4 Billion</td>
</tr>
<tr>
<td>10</td>
<td>Fresh Fruit</td>
<td>$4.7 Billion</td>
</tr>
</tbody>
</table>
The Trump Trade Agenda
A New Trade Era
The President’s Trade Policy Agenda

- Supporting Our National Security
- Aggressive Enforcement of U.S. Trade Laws
- Reforming the Multilateral Trading System
- Strengthening the U.S. Economy
- Negotiating Better Trade Deals
(Re)Negotiating Trade Deals

NAFTA to USMCA
U.S. Food & Agriculture Exports to Canada & Mexico

Source: U.S. Census Bureau
<table>
<thead>
<tr>
<th></th>
<th>Agriculture</th>
<th>Non-Agriculture</th>
<th>All Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Percent</strong></td>
<td>NAFTA</td>
<td>No NAFTA</td>
<td>NAFTA</td>
</tr>
<tr>
<td><strong>U.S. Tariffs on Mexican &amp; Canadian Goods</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>4.8 (Bound) 5.2 (Applied MFN)</td>
<td>0</td>
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<tr>
<td><strong>Mexican Tariffs on U.S. Goods</strong></td>
<td>0</td>
<td>45 (Bound) 15.6 (Applied MFN)</td>
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<tr>
<td><strong>Canadian Tariffs on U.S. Goods</strong></td>
<td>0</td>
<td>16.6 (Bound) 16.7 (Applied MFN)</td>
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</tr>
</tbody>
</table>
Food & Ag Objectives “Met”

- Market Access
- Biotechnology/NBT
- E-Commerce
- Rules of Origin
- Intellectual Property
- Customs Procedures
- Regulatory Cooperation
- Sanitary & Phytosanitary (SPS)
- Technical Barriers to Trade
- Dispute Settlement*
Trade Promotion Authority Timeline

90 days prior to negotiations
President notifies Congress of intent to enter into negotiations

30 days prior to negotiations
President publishes negotiating objectives

Negotiations Begin

Agreement Signed

Agreement Introduced

Final votes within 90 session days
The House must vote within 60 days and then the Senate must vote within 30 days

Senate consideration
Senate Finance must vote on bill within 15 session days of House; full Senate within 15 days of Committee

180 days prior to signature
President reports to Congress on potential changes to US trade remedy laws

90 days prior to signature
President notifies Congress of intent to enter into agreement

House consideration
House Ways & Means must vote on bill within 45 session days; then full House must vote within 15 session days of Committee

105 days after signature
ITC must complete study of agreement’s economic impact

60 days after signature
President reports to Congress on the changes to U.S. law that are required to comply with agreement

30 days before introduction
President must submit final text of agreement to Congress

60 days prior to signature
President publishes full text of agreement on the Internet
USMCA Support

Mexico Ambassador Predicts Quick Mexico USMCA Passage
NAFB News Service (1/24/19)

Chamber set to launch business coalition backing USMCA’s passage
Inside U.S. Trade (1/7/19)

American Petroleum Institute sees USMCA’s passage as a priority in 2019
Inside U.S. Trade (1/8/19)

Auto Execs Say U.S. Mexico Canada Trade Pact Will Have Positive Effects
Forbes (1/19/19)

Farm Bureau Members Encouraged by USMCA
AFBF Podcast (1/22/19)

Mayors, Ambassadors Discuss Advancing NAFTA Replacement Deal
Transport Topics (1/23/19)

Trudeau's U.S. Envoy Confident on USMCA Passage, Tariff Relief
Bloomberg (1/17/19)
BUT...
Technical Challenges

eBay Supports Change to USMCA De Minimis Levels to Benefit Small Businesses

* eSeller Café (1/18/19)

Outside advisory panels ask USTR to remove NME clause from USMCA

* Inside U.S. Trade (11/6/18)

Sherrod Brown Sends Regrets

The Democrat was supposed to support new Nafta. Guess not.

* Wall Street Journal (1/25/19)

Democrats look to Peru deal for answers to USMCA labor woes

* Politico (12/20/18)

Patient groups: Pharmaceutical provisions in USMCA inconsistent with U.S. law

* Inside U.S. Trade (11/5/18)
U.S. CONGRESS

Senate
- 45 Democrats
- 53 Republicans
- 2 Independents

House
- 235 Democrats
- 198 Republicans
- 2 Vacant
The 232 Cloud

“Before Congress considers legislation to implement USMCA, the Administration should lift tariffs on steel and aluminum imports from our top two trading partners and secure the elimination of retaliatory tariffs that stand to wipe out gains our farmers have made over the past two and a half decades.”
- Chuck Grassley, Chairman, Senate Finance Committee (1/30/19)

U.S. lawmakers are "not really willing to consider this agreement until the steel and aluminum tariffs are assured of being lifted off -- including quotas"  
- Kevin Brady, Ranking Member, House Ways & Means Committee (1/29/19)

Trump And Trudeau Talk Tiptoes Through Tariff Tensions

Aluminum Insider (1/11/19)

Industry groups: Lift 232 tariffs so we can help get USCMA through Congress

Inside U.S Trade (1/23/18)

Chamber of Commerce conditions support for Trump’s USMCA deal on lifting metals tariffs for Mexico and Canada

Washington Examiner (12/10/18)
'It's going to be a mess': Confluence of challenges threaten new NAFTA vote

Government shutdown, Democrat opposition and an election on the horizon are all muddying the waters for a vote on USMCA

Financial Post (1/24/19)
(Re)Negotiating Trade Deals
Beyond North America
U.S. Seeks “New” Trade Agreements

Japan
European Union
United Kingdom
Current Status

U.S., EU Set Conflicting Goals for Looming Trade Talks
Agriculture will likely be a key sticking point in new negotiations; Europe will also seek to avoid U.S. auto tariffs

Wall Street Journal (1/15/19)

US-Japan trade talks face delay as Trump focuses on China

NIKKEI Asian Review (1/25/19)

Brexit Irish Border Fears Spur Warning on U.S.-U.K. Trade Talks

Bloomberg (1/30/19)
Trade in 2019

... and Beyond
U.S. Trade Policy - Busy Season

- USMCA Ratification (!?)
- Traditional Negotiations
  - EU
  - Japan
  - UK
- WTO Fight(s)
- Administration v. Congress on Tariff Powers
- CHINA
Total World Trade Agreements
Total U.S. Trade Agreements

Source: World Trade Organization (WTO)
Thank you!

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