

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

1	Canada	\$20.5 Billion
2	China	\$19.6 Billion
3	Mexico	\$18.6 Billion
4	Japan	\$11.9 Billion
5	EU	\$11.5 Billion
6	S. Korea	\$6.9 Billion

Top Markets for U.S. Agricultural Exports in 2017

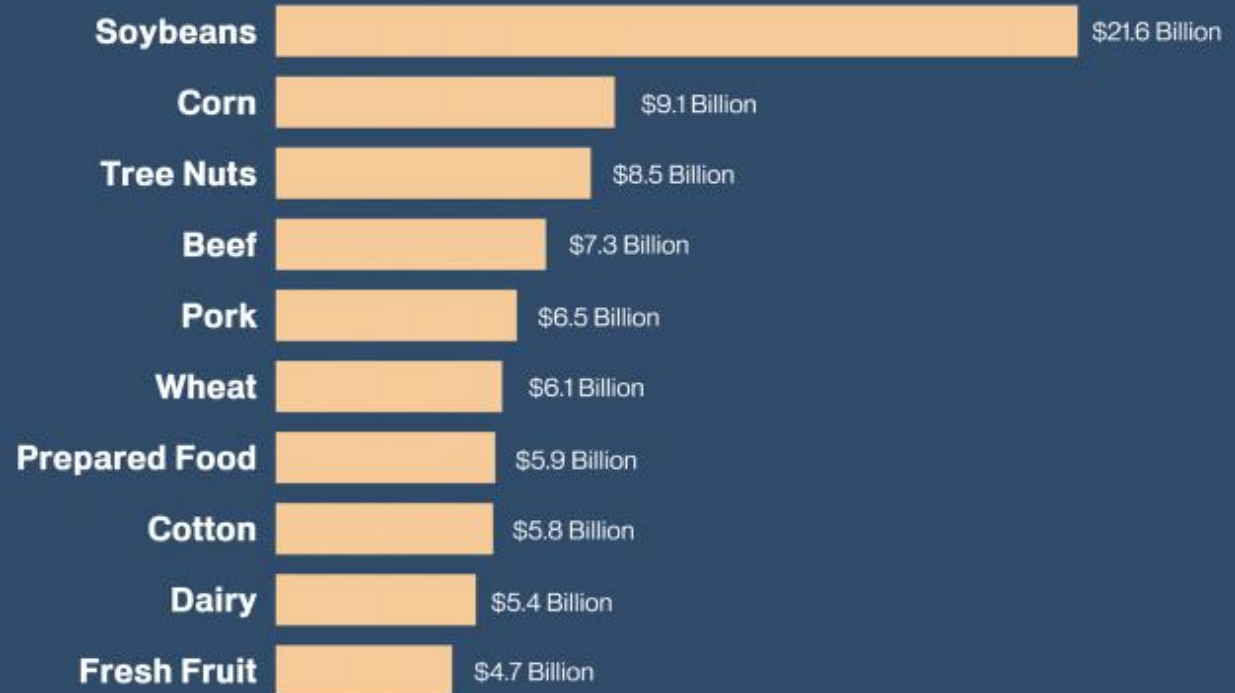
Canada \$20.5 billion
 China \$19.6 billion
 Mexico \$18.6 billion

Japan \$11.9 billion
 European Union \$11.5 billion
 South Korea \$6.9 billion



Top U.S. Agricultural Exports in 2017

1	Soybeans	\$21.6 Billion
2	Corn	\$9.1 Billion
3	Tree Nuts	\$8.5 Billion
4	Beef	\$7.3 Billion
5	Pork	\$6.5 Billion
6	Wheat	\$6.1 Billion
7	Prepared Food	\$5.9 Billion
8	Cotton	\$5.8 Billion
9	Dairy	\$5.4 Billion
10	Fresh Fruit	\$4.7 Billion



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

2018 Trade Policy Agenda

and

2017 Annual Report

of the President of the United States on

the Trade Agreements Program

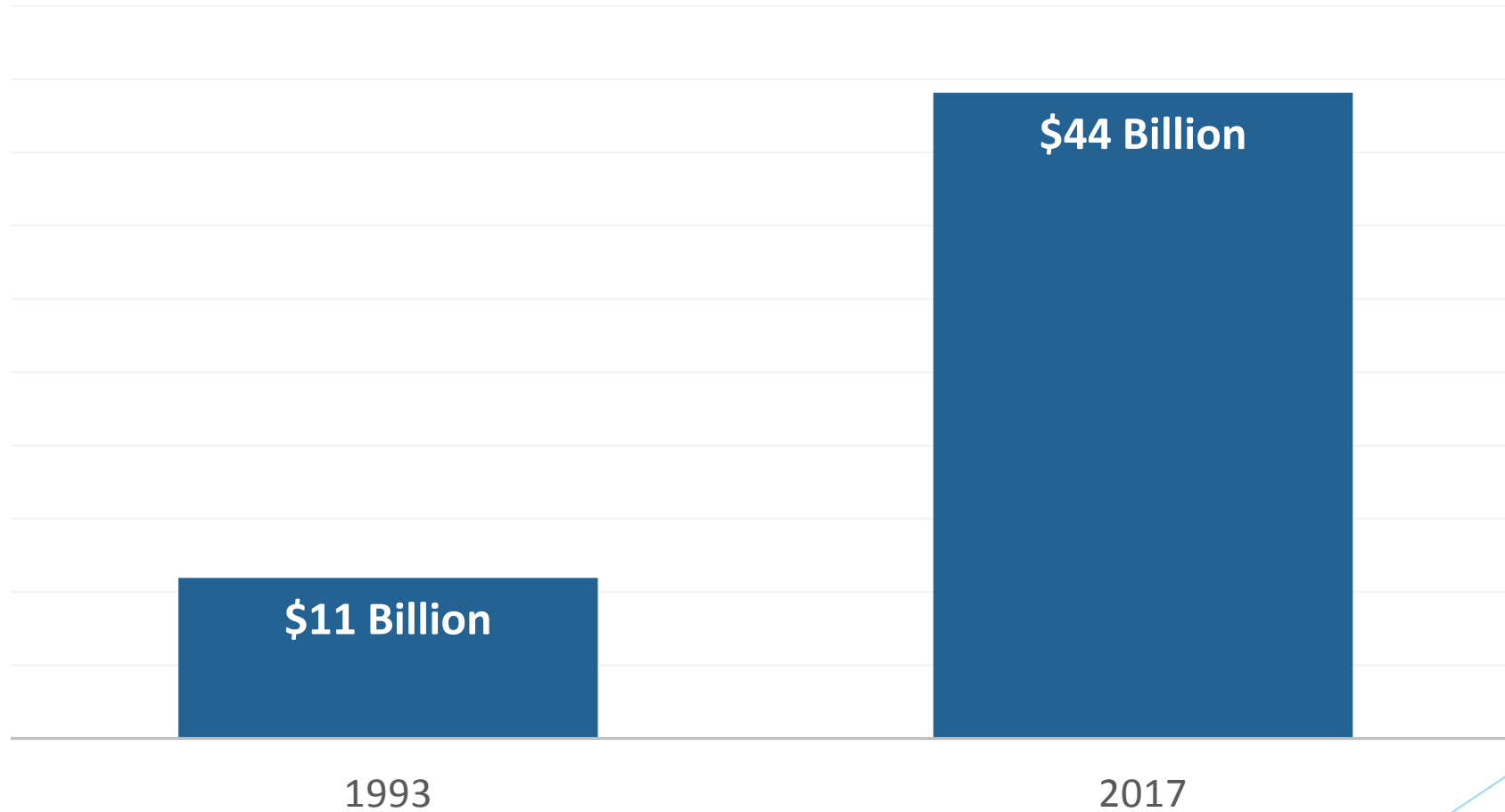


Office of the United States Trade Representative

(Re)Negotiating Trade Deals

NAFTA to USMCA

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



Source: U.S. Census Bureau

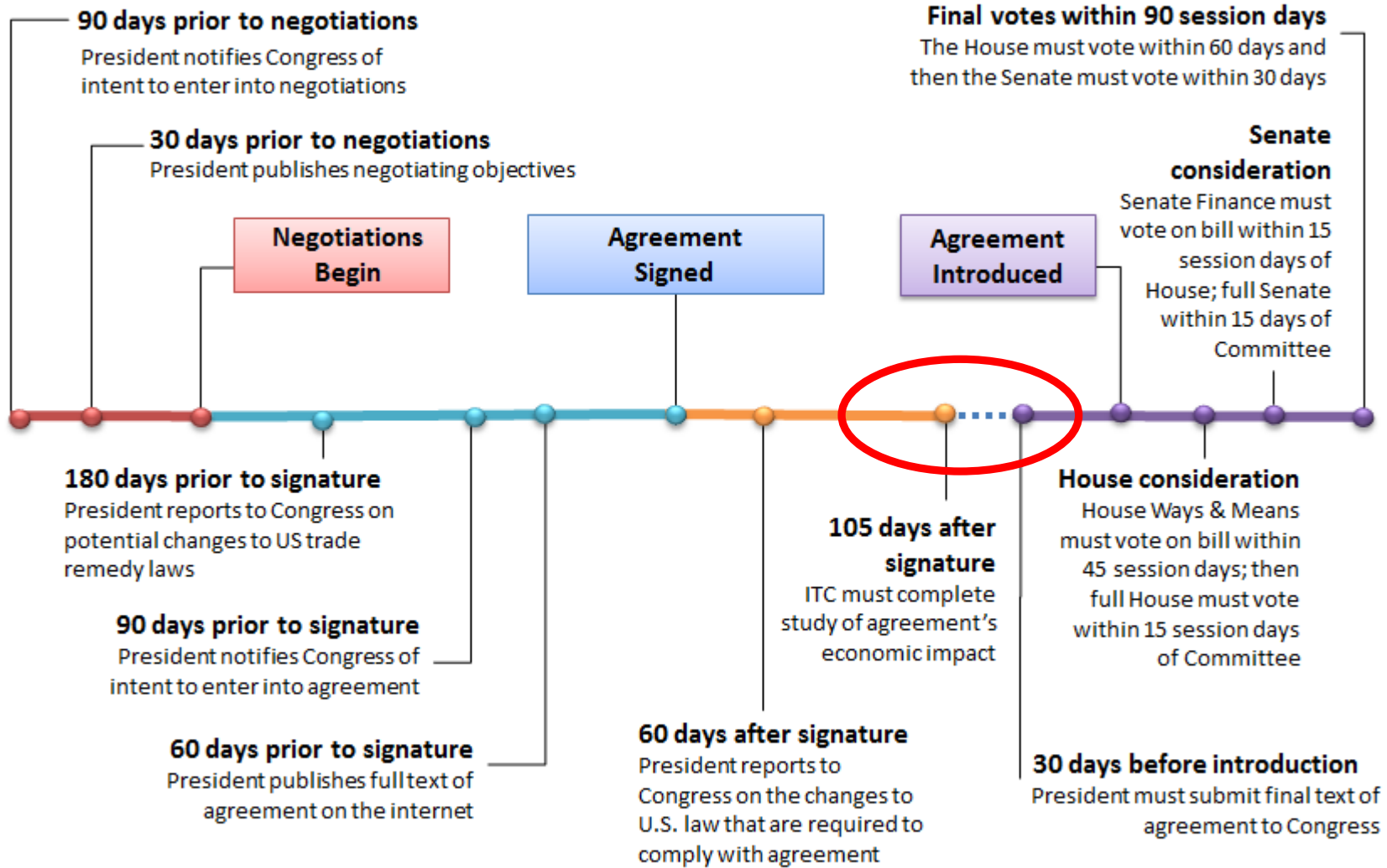
No NAFTA/U.S.-CANADA FTA

Percent						
	Agriculture		Non-Agriculture		All Products	
	NAFTA	No NAFTA	NAFTA	No NAFTA	NAFTA	No NAFTA
U.S. Tariffs on Mexican & Canadian Goods	0	4.8 (Bound) 5.2 (Applied MFN)	0	3.3 (Bound) 3.2 (Applied MFN)	0	3.5 (Bound) 3.5 (Applied MFN)
Mexican Tariffs on U.S. Goods	0	45 (Bound) 15.6 (Applied MFN)	0	34.8 (Bound) 5.7 (Applied MFN)	0	36.2 (Bound) 7.1 (Applied MFN)
Canadian Tariffs on U.S. Goods	0	16.6 (Bound) 16.7 (Applied MFN)	0	5.3 (Bound) 2.2 (Applied MFN)	0	6.8 (Bound) 4.2 (Applied MFN)

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



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)

**Farm Bureau Members Encouraged
by USMCA**

AFBF Podcast (1/22/19)

**Trudeau's U.S. Envoy Confident on
USMCA Passage, Tariff Relief**

Bloomberg (1/17/19)

**Auto Execs Say U.S. Mexico
Canada Trade Pact Will Have
Positive Effects**

Forbes (1/19/19)

**Mayors, Ambassadors Discuss
Advancing NAFTA Replacement
Deal**

Transport Topics (1/23/19)

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)

OPINION | REVIEW & OUTLOOK

Sherrod Brown Sends Regrets

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

Wall Street Journal (1/25/19)

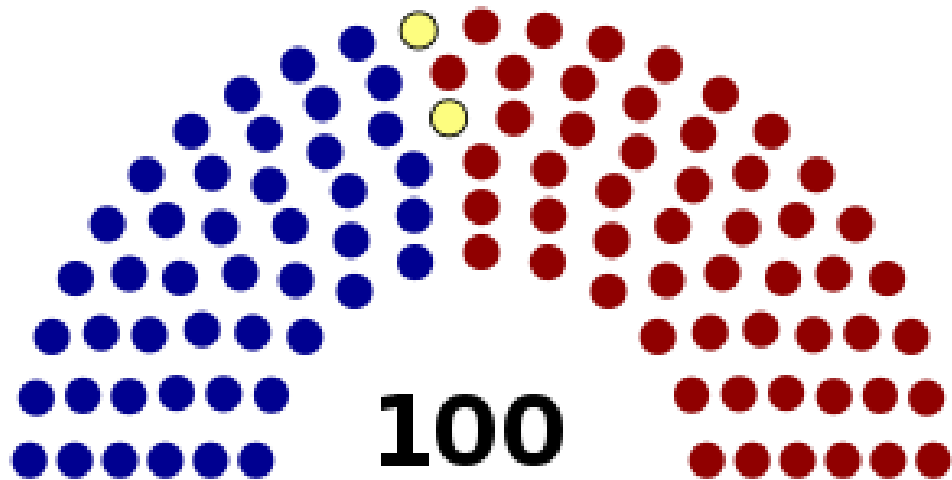
Democrats look to Peru deal for answers to USMCA labor woes

Politico (12/20/18)

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

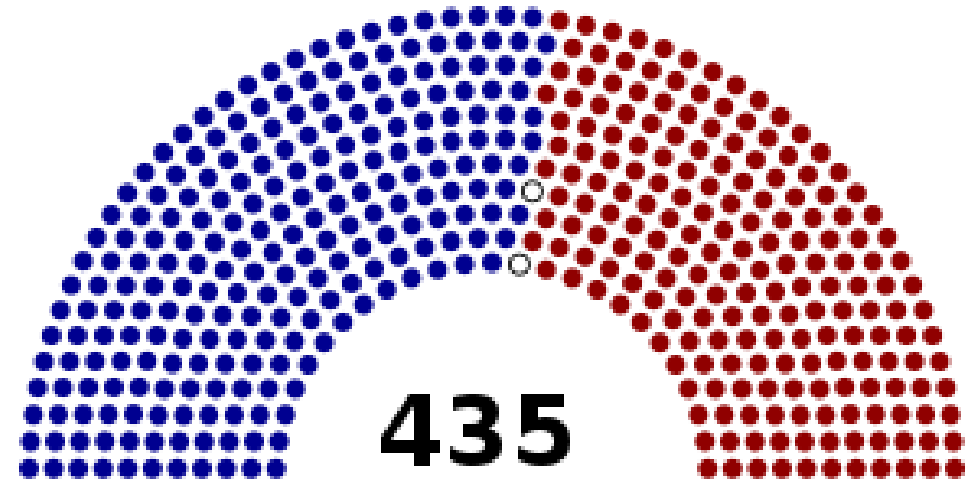
Inside U.S. Trade (11/5/18)

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

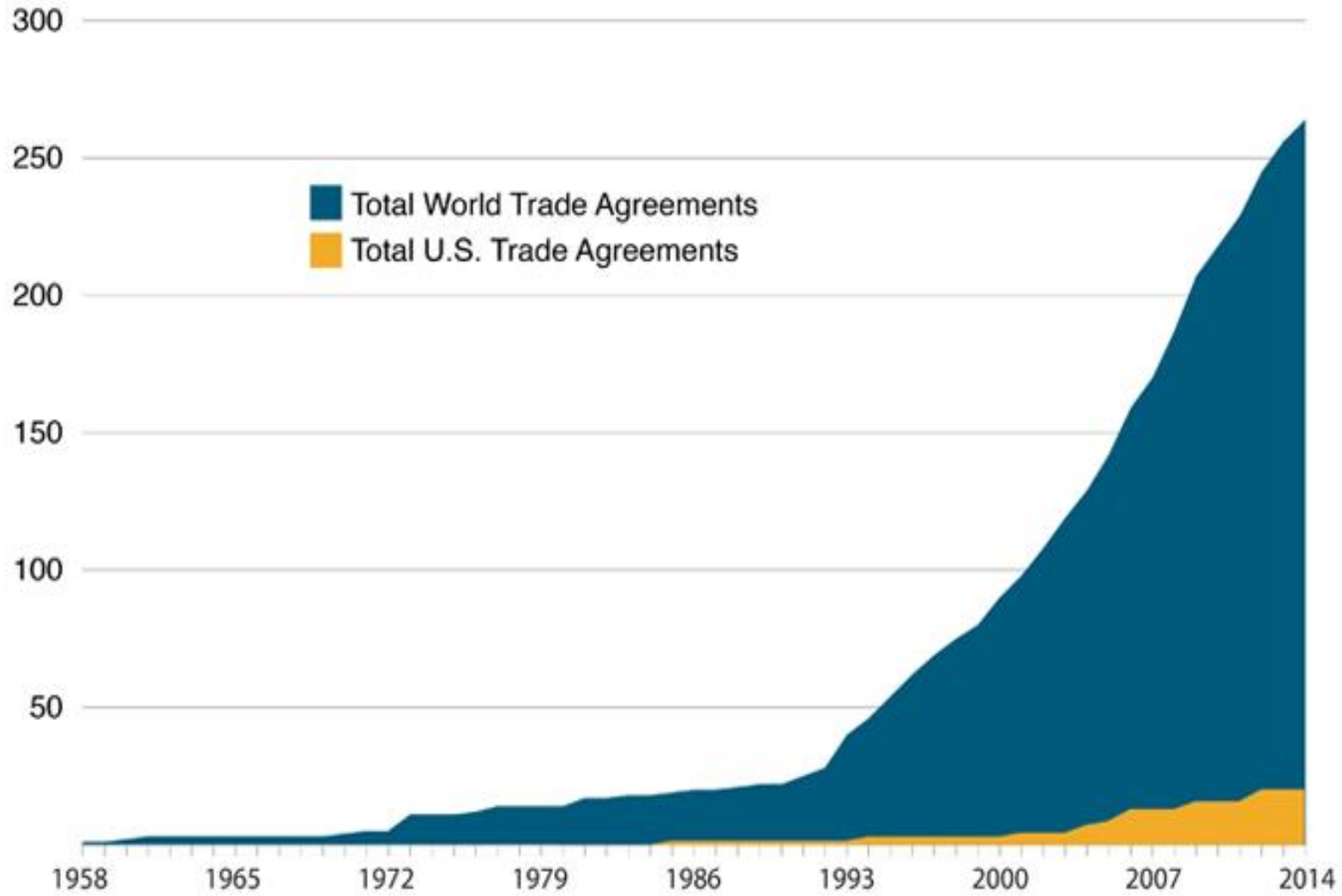
Bloomberg (1/30/19)

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



Source: World Trade Organization (WTO)

Thank you!

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