

Illinois Farm Bureau® Talking Points on United States-Mexico-Canada Trade Agreement

October 2018

Background: The following talking points were developed in response to the announcement of a new, trilateral trade agreement between the U.S., Mexico and Canada. The announcement follows months of tense trade talks and comes during a heated trade war with China.

- Illinois Farm Bureau is pleased to see a trilateral agreement reached between the U.S., Mexico and Canada that not only locks in previously-developed market opportunities, but also builds on existing trade relationships.
 - Illinois farmers rely heavily on trade with Canada and Mexico, exporting 40 percent of their corn, 13 percent of their beef and 34 percent of their pork to the two countries.
 - The North American Free Trade Agreement (NAFTA) supported more than 200,000 Illinois jobs across all industries; we expect the new U.S.-Mexico-Canada Trade Agreement (USMCA) to do the same.
- The new USMCA:
 - Modernizes the existing NAFTA agreement;
 - Provides new and expanded market access for dairy and poultry products and maintains the zero-tariff platform on all other ag products;
 - Eliminates Classes 6 and 7 of Canada's dairy program, which restricted U.S. dried milk product sales, and allows access to an additional 3.6 percent of Canada's dairy market;
 - Includes measures which address cooperation, information-sharing and other trade rules related to agricultural biotechnology and gene editing;
 - Enhances the rules for science-based decisions on biotechnology, food safety, and animal health;
 - Contains provisions to reduce trade-distorting policies, increase transparency and ensure non-discriminatory treatment of ag products; and
 - Will last for 16 years, with a review after six years to determine if the agreement should be extended another 16 years.
- Despite these gains, the new USMCA did not end U.S. tariffs on imported steel and aluminum from Canada and Mexico; retaliatory tariffs by Canada and Mexico still stand.
 - Canada has 10 percent tariffs on U.S. beef, ketchup, maple syrup, and other products.
 - Mexico's list contains 20 percent tariffs on U.S. pork, cheese, apples, and hams.
- While this trilateral deal is welcome news, IFB encourages the administration to continue negotiations to end to tariffs on imported steel and aluminum from Canada and Mexico.
- We commend the administration for the USMCA agreement, and hope it underscores the importance of remaining at the negotiating table to conclude other trade agreements, including those with the EU, Japan and China.