

U.S. – Mexico – Canada Trade Agreement

- U.S. farmers and ranchers needed some good news on the trade front, and a new agreement with our North American trade partners is very good news.
- This new trade agreement between the United States, Mexico and Canada not only locks in the market opportunities previously developed with our North American neighbors, but it also builds on those trade relationships in a number of key areas.
- The agreement will provide new market access for dairy and poultry products and maintains the zero-tariff platform on all other ag products.
- This measure is important for our dairy farmers, in particular, because it 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, a move that is even better than what we would have achieved under TPP.
- The agreement also includes some important provisions surrounding geographic indication standards in Mexico that will help ensure that U.S. products do not face restrictions due to the mere use of common names.
- Because of key reforms in other areas, we expect to build on Mexico’s current profile of being an \$18 billion market for U.S. ag products.
- The U.S. – Mexico – Canada Agreement includes, for the first time, measures that address cooperation, information sharing and other trade rules among the three nations related to agricultural biotechnology and gene editing.
- Also included are provisions to reduce trade-distorting policies, increase transparency and ensure non-discriminatory treatment of ag products among the three nations.
- Canada has also 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.
- There are also provisions that enhance science-based trading standards among the three nations as the basis for sanitary and phytosanitary measures for ag products, as well as progress in the area of geographic indications.
- Overall, this was a hard-fought win and we commend the administration for all the efforts to solidify the trading relationships we have with our North American neighbors.
- The agreement is for sixteen years, with a review after six years to determine if the agreement should be extended another sixteen years. This is in place of the five-year sunset proposal, which could have been very disruptive to long-term planning.
- We also thank the trade ministers from Canada and Mexico for coming to the negotiating table. U.S. farmers and ranchers have worked hard to build markets and be reliable suppliers to both countries, and we are excited to build on those good trade relationships going forward.