National Grain and Feed Association
North American Export Grain Association
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Submitted Electronically

July 31, 2017

TO: Office of the U.S. Trade Representative; and
U.S. Department of Commerce

RE: Docket No. USTR-2017-0010

Dear Reviewing Officials:

The National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) submit this joint statement in response to the request for public comments on matters relevant to the performance review of all bilateral, plurilateral, and multilateral trade agreements and investment agreements to which the United States is a party and all trade relations with countries governed by the rules of the World Trade Organization (WTO) with which the United States does not have free trade agreements but with which the United States runs significant trade deficits in goods, as requested in the June 29, 2017 issue of the ***Federal Register***. These comments seek to inform the U.S. Trade Representative and the U.S. Department of Commerce on the performance of trade agreements with respect to the grain, feed, grain and oilseed processing, and export sector.

NGFA, established in 1896, consists of more than 1,000 grain, feed, processing, milling, exporting and other grain-related companies that operate more than 7,000 facilities nationwide, and handle more than 70 percent of the U.S. grain and oilseed crop. Its membership includes grain elevators, feed and feed ingredient manufacturers, biofuels companies, grain and oilseed processors and millers, exporters, livestock and poultry integrators, and associated firms that provide goods and services to the nation's grain, feed and processing industry. NGFA also consists of 34 affiliated State and Regional Grain and Feed Associations.

NAEGA, a not-for-profit trade association established in 1912, consists of private and publicly owned companies and farmer-owned cooperatives that are involved in and provide services to the bulk grain and oilseed exporting industry. NAEGA-member companies ship and support the vast majority of the highly competitive, sustainable and fungible U.S. grain and oilseed export supply. NAEGA works collaboratively around the world to improve and maintain the trade of grains, oilseeds and other agri-bulks by informing industry and addressing both commercial and official practices.

The U.S. food and agricultural sector is the world's largest and most efficient. It's many, unequaled benefits provide unparalleled food security to domestic and world consumers. America's safe, reliable, economical and abundant supply of food and agro-industrial products are produced from renewable, sustainable and efficient supply chains that start with farms and ranches, encompass the food, beverage and export industry, and extend throughout North America and around the world. The U.S. food and agricultural sector has benefited greatly from free-enterprise and market-based policies, nearly 200 million acres of prime farmland, enterprising producers and agribusinesses, and secure and reliable access to foreign markets. Today, U.S. agricultural producers and agribusinesses compete successfully in the global market for agricultural products ranging from raw commodities to value-added goods, such as meat, poultry, dairy and biofuels, adding value and creating jobs in communities throughout the nation.

The benefits of U.S. agricultural trade are not limited to farmers, ranchers, grain elevators, feed manufacturers, feed ingredient suppliers, grain and food processors, dairy operators and the many other agricultural businesses whose livelihoods depend extensively on access to foreign markets. Rather, the economic multipliers associated with the U.S. food and agricultural sector accrue to the broader U.S. economy, particularly in terms of job creation and economic growth. According to data from the U.S. Department of Commerce, as well as analysis conducted by the U.S. Department of Agriculture, the food and agricultural sector supports more than 15 million U.S. jobs, creates more than $423 billion in annual U.S. economic activity, and represents the single largest U.S. manufacturing sector – constituting 12 percent of all U.S. manufacturing jobs. Every dollar in U.S. agricultural exports generates an additional $1.27 in U.S. economic activity.

Performance of U.S. Free Trade Agreements for Grain and Feed

Much of U.S. agriculture and the grain, feed, processing and export industry's value to the U.S. economy and job expansion is generated through free trade agreements, as evidenced by consistent generation of U.S. agricultural trade surpluses. The balance of trade surplus for five of the primary U.S. feed and grain commodities (corn, distiller's dried grains with solubles (DDGS), soybean meal, soybeans and wheat) increased from 22.5 million metric tons with its free trade agreement counterparts in the year prior to the agreements entering into force to 53.3 million metric tons in 2016. In 2016, the United States exported 56.8 million metric tons of these commodities to its free trade agreement partners, which were valued at $12.9 billion.

While most agricultural products handled by NGFA- and NAEGA-member companies produce significant trade surpluses for the United States, NGFA and NAEGA fully recognize and affirm the benefits of two-way trade. Two-way trade enables U.S. agricultural producers and agribusinesses to source farm inputs, such as fertilizer, and crude oil from its free trade counterparts and other nations. Sourcing from the most economical origin lowers U.S.

agricultural production costs and enhances the global competitiveness of U.S. food and agricultural exports.

Grain and feed trade with the United States' free trade agreement counterparts is vibrant. Ratification of free trade agreements has led to the elimination of nearly all grain and feed tariff barriers that previously restricted U.S. access to these markets and in many cases has either leveled the playing field or provided the United States with a competitive advantage over its foreign competitors. The existence of trade agreements and subsequent efforts to encourage regulatory cooperation and facilitate trade also have helped address non-tariff barriers. As a result, U.S. free trade agreement counterparts have become large export markets for NGFA- and NAEGA-member firms, as well as other U.S. agricultural exporters, and some of the U.S. food and agriculture's most consistent buyers throughout the year. Following the removal of market-access trade barriers through trade agreements, members of NGFA and NAEGA have invested in strategically located physical plants and logistics to facilitate the efficient sale of agricultural products. U.S. free trade agreement counterparts also have invested in facilities to cost-effectively receive U.S. agricultural products. These strategically planned business investments that reduced transportation costs and integrated supply chains were made possible by the removal of market access barriers through free trade agreements, enabling U.S. agriculture to reliably and competitively serve these growing markets.

In addition, free trade agreements have enabled specialization and opened opportunities for niche markets. For example, the United States is well positioned to produce and supply corn and soybeans. Meanwhile, some of our free trade agreement counterparts are competitive suppliers of other commodities, such as oats, canola and certain classes of wheat. This specialization has freed up U.S. acreage for other crops for which the United States has a strong comparative advantage. Moreover, free trade agreements have created opportunities for U.S. exports of value-added agricultural products, such as meat, dairy and biofuels, that are produced in large part using U.S. grain and feed products. Consequently, free trade agreement counterparts indirectly import a large quantity of U.S. grains, oilseeds and feed by way of value-added agricultural products, contributing to U.S. manufacturing jobs in and related to the food and agricultural sector.

In short, the U.S. food and agricultural sector has benefited immensely from market access gains achieved under U.S. free trade agreements. However, in the time since the free trade agreements took effect, economies, markets, technologies and supply chains have evolved. NGFA and NAEGA recognize this evolution and welcome the opportunity to work with the Trump administration to preserve all current market access and tariff concessions achieved for U.S. food and agriculture in current free trade agreements, while modernizing them to address the challenges of 21st century global trade. Paramount among these challenges is to address the growing number of non-tariff barriers that distort and slow trade flows. Given the opportunity to modernize U.S. trade agreements with other countries, we urge U.S. trade negotiators to work with our trading partners to make existing agreements more effective in preventing technical, sanitary and phytosanitary (SPS) barriers to trade, encouraging higher levels of regulatory cooperation, transparency and professionalism, and promoting the convergence of standards and rules to level the playing field and ensure against unjustified, unscientific and discriminatory regulatory initiatives.

Recommended U.S. Priorities for Modern Free Trade Agreements

NGFA and NAEGA seek to work actively and constructively with the Trump administration with a goal to preserve and improve upon existing trade relationships with our free trade agreement counterparts, as well as create new export opportunities. Beginning with the upcoming North American Free Trade Agreement (NAFTA) negotiations, we believe that U.S. objectives should address the following impediments to facilitate trade:

1. ***Actions at Import*:** Import checks on shipments of individual containers or consignments may present a major barrier to trade in agricultural commodities. When they occur, checks can result in expensive delays and costs for demurrage and potential reexport. Goods may be subjected to inspection, or may even be rejected, without apparent scientific justification.

2. ***Science and Risk Analysis:*** Many SPS-based import bans and restrictions do not conform to the applicable regional and international standards and the promulgating authority often fails to provide a science-based risk assessment as required under the World Trade Organization's SPS Agreement. Provisions are needed to effectively force the timely completion of sound risk assessments, with adequate opportunities for public comment.

3. ***Transparency Provisions*:** Agricultural traders often are kept in the dark about the basis for measures that restrict movement of agricultural products based on alleged SPS and technical barriers to trade (TBT) grounds. All requirements – including those cited previously – should explicitly require disclosure and should be made available to governments, as well as commercial parties, prior to implementation. Trade would benefit from clear and transparent timelines for disclosure and resolution of adverse import checks that prevent or delay import shipments. Further, regulatory authorities should be encouraged to adhere to and abide by transparent and predictable regulatory timelines with adequate opportunity for comment and critique of new or altered regulatory measures.

In addition, we believe modernized free trade agreements provide the opportunity to include language to increase transparency and cooperation on activities related to modern agricultural production technologies, including seed-breeding innovations, improving upon provisions agreed to in the Trans-Pacific Partnership negotiations.

To address the aforementioned concerns and issues, NAEGA and NGFA believe modernized U.S. trade agreements with other countries should include 21st century, WTO-plus provisions that include the following:

- Maintaining and expanding all market access, tariff concessions and other provisions that have enabled economic integration in the grain and feed marketplace and supply chains.

- Creating a rapid response mechanism (RRM) that enables the timely and transparent resolution of adverse import checks by importing country customs and plant protection authorities. An RRM should include immediate and detailed notification of the importer or exporter of record within ***three days*** of any risk- detection, assessment and management measures. Further, an RRM should mandate expedited review processes, at the request of the importer or exporter of record, that are completed within 15 days. A properly functioning RRM will increase reliability, reduce risk premiums sometimes associated with agricultural trade, and avert costly demurrage and trade inefficiencies that result when U.S. agricultural exports are detained at customs and border crossings in importing countries.

- Enhancing science-based SPS rules that: promote the adoption of testing procedures based upon international laboratory standards; require export and import checks be conducted "without undue delay"; require documentation of the frequency of import checks and demonstration of the risk factors that justify the import check; and provide for mechanisms to expeditiously resolve adverse import checks.

- Adopting risk-management and risk-assessment procedures that prevent the use of non-tariff barriers that lack scientific merit. Risk-assessment and risk-management procedures should take into consideration reasonably available and relevant scientific data, and should not be more trade restrictive than required to achieve SPS objectives.

- Promoting regulatory consistency and cooperation provisions. Such provisions should encourage the adoption of widely-accepted good regulatory practices and core principles such as transparency, impartiality and due process, as well as coordination across governments to ensure coherent regulatory approaches. The stated objectives should be to provide globally effective measures that eliminate trade-distortive policies and reduce bureaucratic impediments to trade, and that foster trade-facilitative official practices and regulations for which free trade agreement-member countries are held accountable. One mechanism for achieving this may be to formally include within free trade agreements references to regulatory cooperation bodies including, but not limited to, the regulatory cooperation councils, high-level regulatory cooperation councils, technical committees and cooperative technical consultative bodies that currently exist on an *ad hoc* basis. If doing so, however, NAEGA and NGFA recommend that the updated objectives cited above concerning enhancement of trade-facilitative measures and removal of bureaucratic-related impediments to trade should be included as a specific and high-priority charge for such bodies within the free trade agreement text.

- Strengthening efforts to address TBT matters, including through the promotion of transparency and good regulatory practice, convergence or mutual recognition of regulatory standards, and the adoption of no less favorable treatment to national conformity assessment bodies.

- Increasing transparency and cooperation on activities related to modern agricultural production technologies, including seed-breeding innovations. In this regard, NGFA and NAEGA fully support the inclusion of a mutual recognition agreement concerning the safety determination of biotechnology-enhanced and other crops intended for use as food, feed and/or for further processing; and development of a consistent approach for managing low-level presence (LLP) of products that have undergone a safety assessment and are approved for use in a third country, but not yet approved for import by a U.S. free trade agreement-member country.

- Enabling innovation of information technologies to improve logistics and regulatory implementation and to facilitate trade. Parties to U.S. free trade agreements should be encouraged to recognize electronic signatures and certifications wherever possible and support the electronic exchange of official trade documents including, but not limited to, bills of lading, origin certifications, quality certificates and SPS certificates.

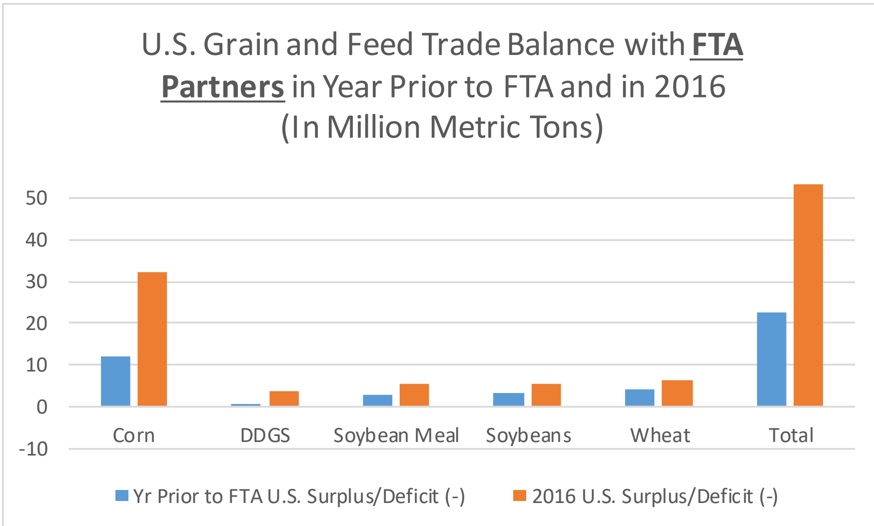
- Ensuring safe, orderly and secure passage for rail and truck freight transportation within NAFTA-member countries.

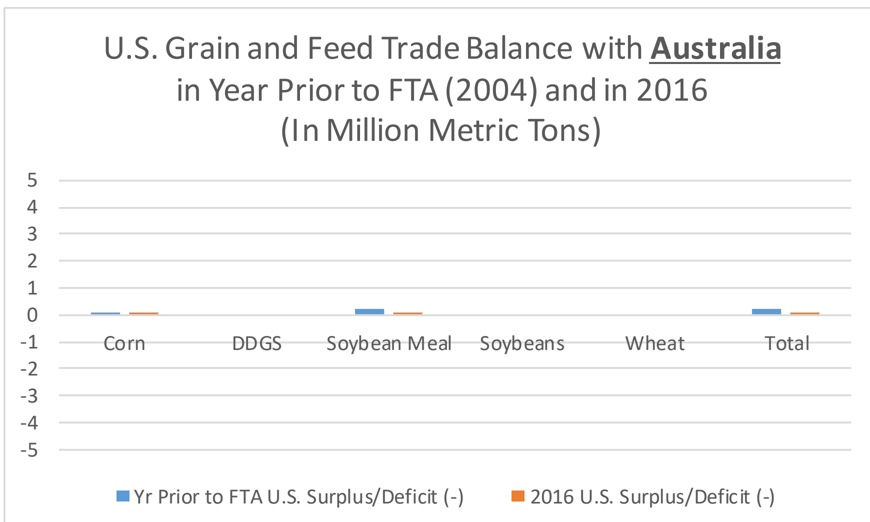
Analysis of U.S. Grain and Feed Trade with Free Trade Agreement Partners

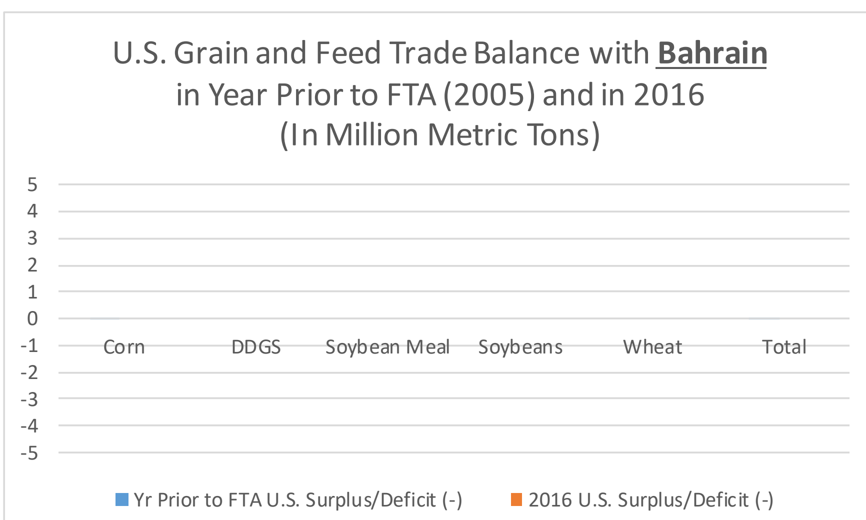
In response to the specific topics upon which USTR and the U.S. Department of Commerce seek information, the NGFA and NAEGA provide the following data.

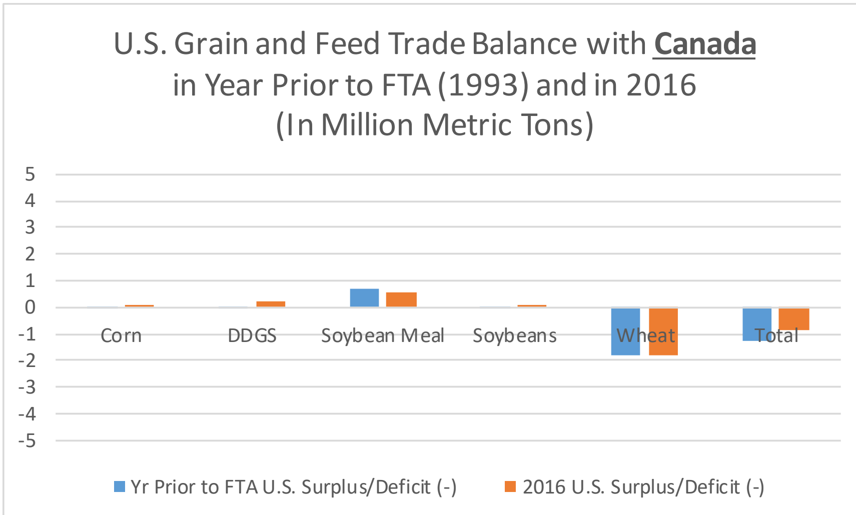
The United States is a leading producer of grain and feed products, and runs a significant trade surplus for the five following commodities: corn, DDGS, soybean meal, soybeans and wheat. In 2016, the United States exported 56.8 million metric tons of these commodities to its free trade agreement counterparts valued at $12.9 billion, while importing only 3.5 million metric tons. By comparison, in the year prior to entering into the respective free trade agreements, the United States exported 24.9 million metric tons to the countries with which it subsequently entered into free trade agreements and imported 2.5 million metric tons.

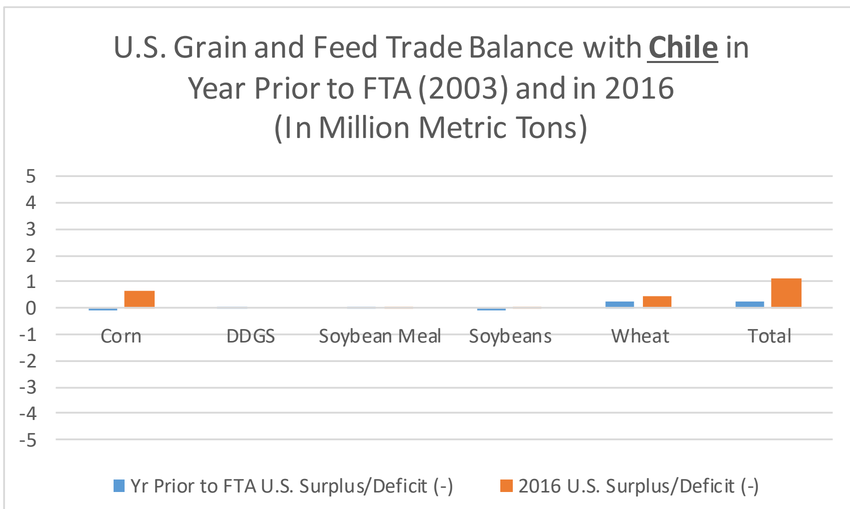
Largely due to the enhanced market access achieved through the free trade agreements, the balance of trade surplus for U.S. grain and feed commodities increased from 22.5 million metric tons with its free trade agreement counterparts in the year prior to the agreements entering into force to 53.3 million metric tons in 2016. Most of the U.S. gains were in Mexico, although sizable increased exports also were achieved in Colombia and Peru.

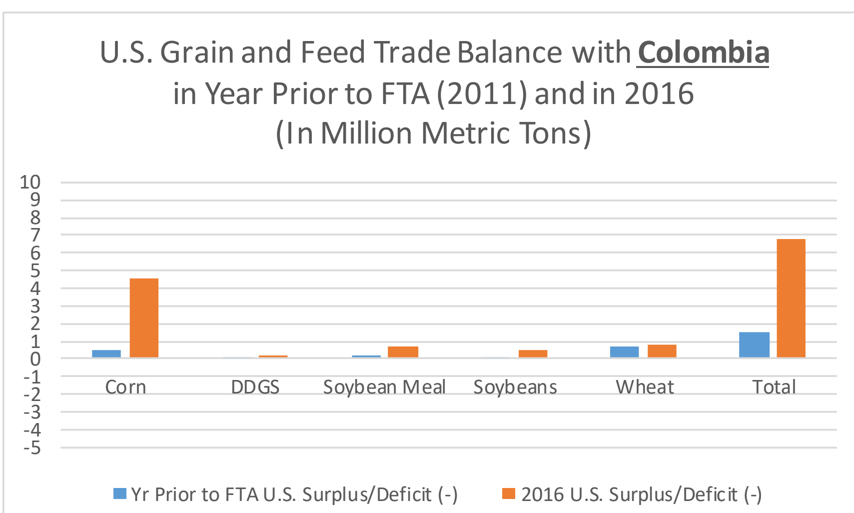

U.S. Grain and Feed Trade Balance with FTA Partners in Year Prior to FTA and in 2016
(In Million Metric Tons)
50
40
30
20
10
0
-10
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

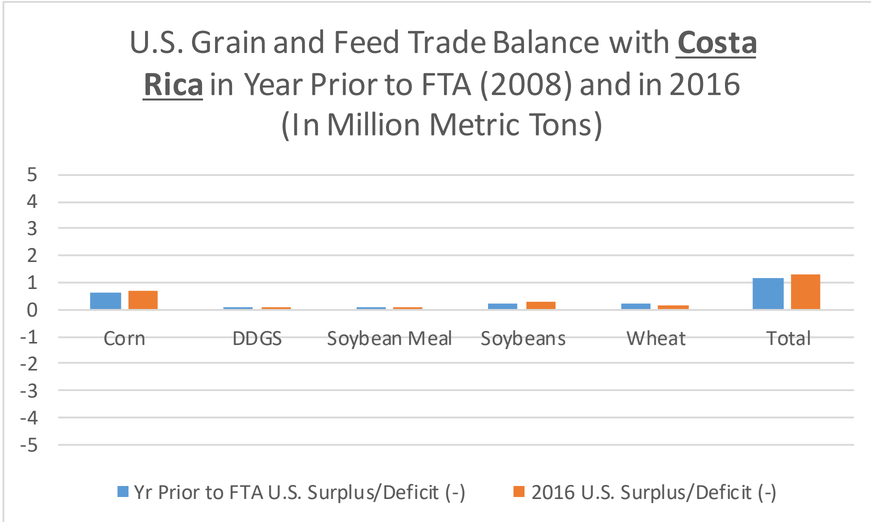

U.S. Grain and Feed Trade Balance with Australia in Year Prior to FTA (2004) and in 2016
(In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

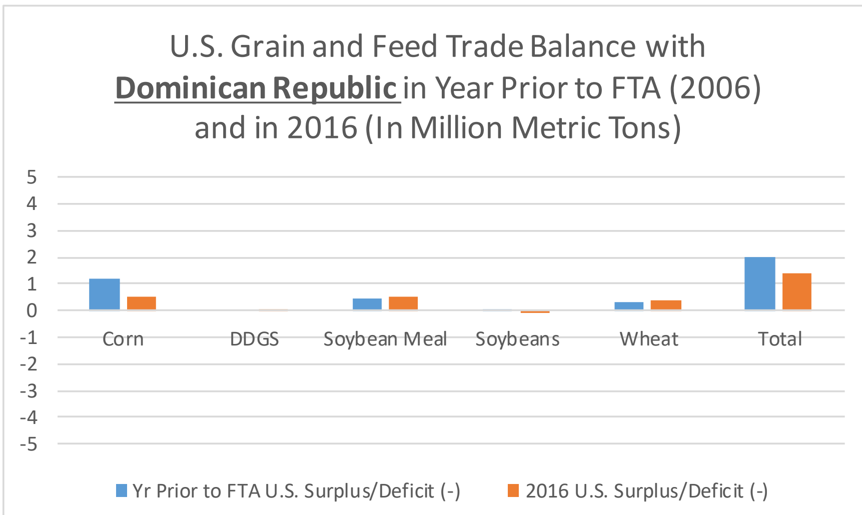

U.S. Grain and Feed Trade Balance with Bahrain in Year Prior to FTA (2005) and in 2016
(In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

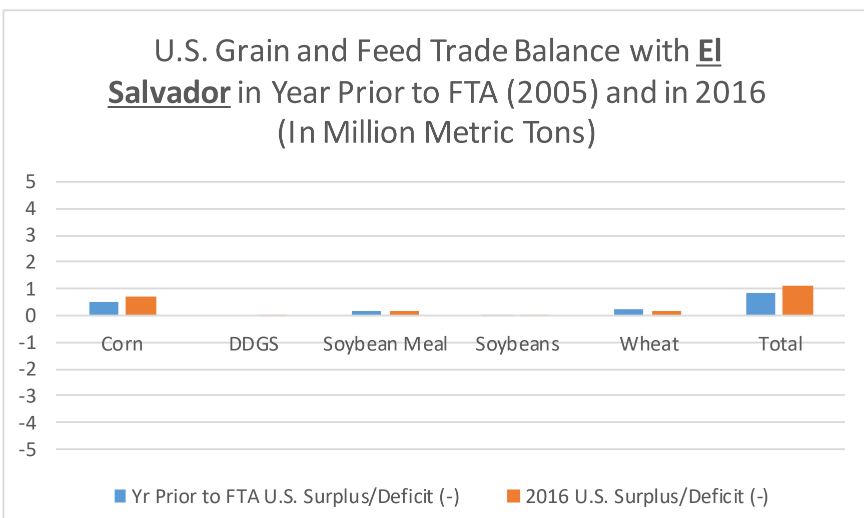

U.S. Grain and Feed Trade Balance with Canada
in Year Prior to FTA (1993) and in 2016
(In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

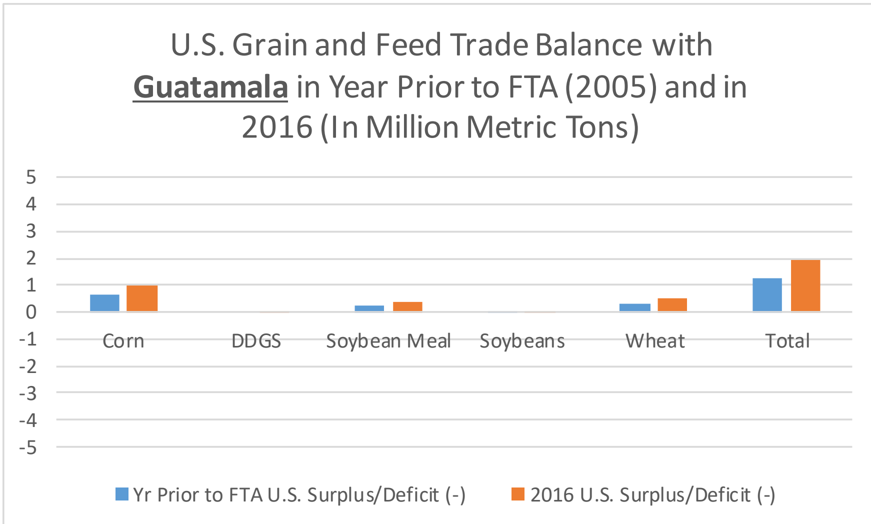

U.S. Grain and Feed Trade Balance with Chile in
Year Prior to FTA (2003) and in 2016
(In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

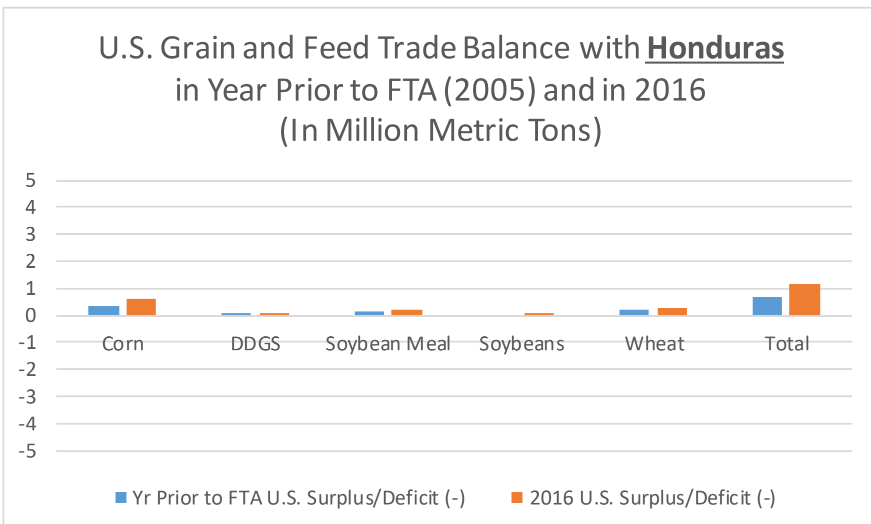

U.S. Grain and Feed Trade Balance with Colombia
in Year Prior to FTA (2011) and in 2016
(In Million Metric Tons)
10
9
8
7
6
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

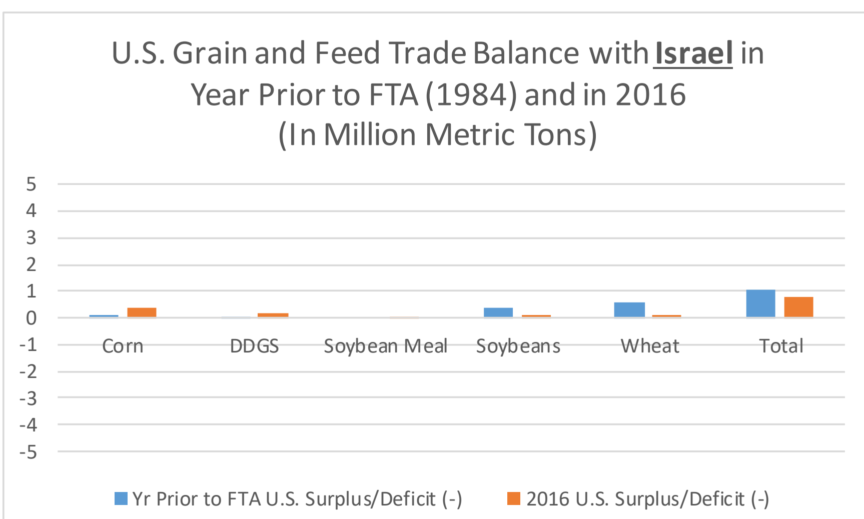

U.S. Grain and Feed Trade Balance with Costa Rica in Year Prior to FTA (2008) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

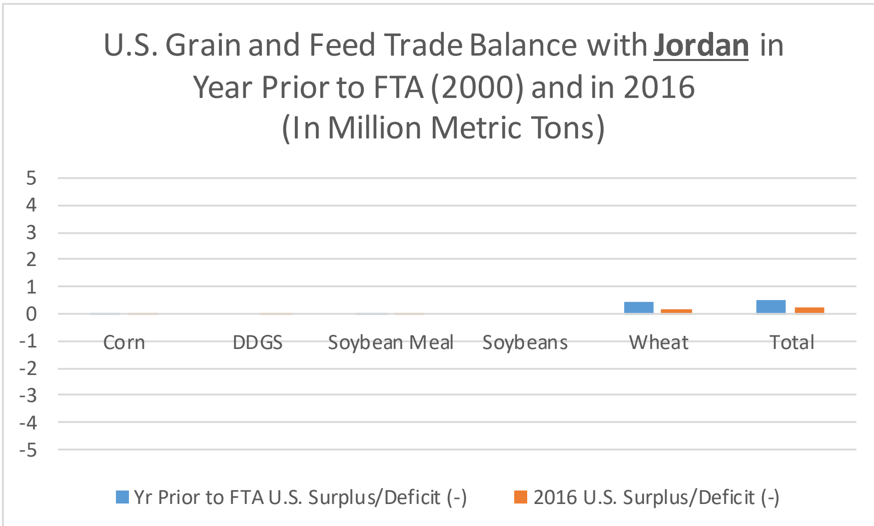

U.S. Grain and Feed Trade Balance with Dominican Republic in Year Prior to FTA (2006) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

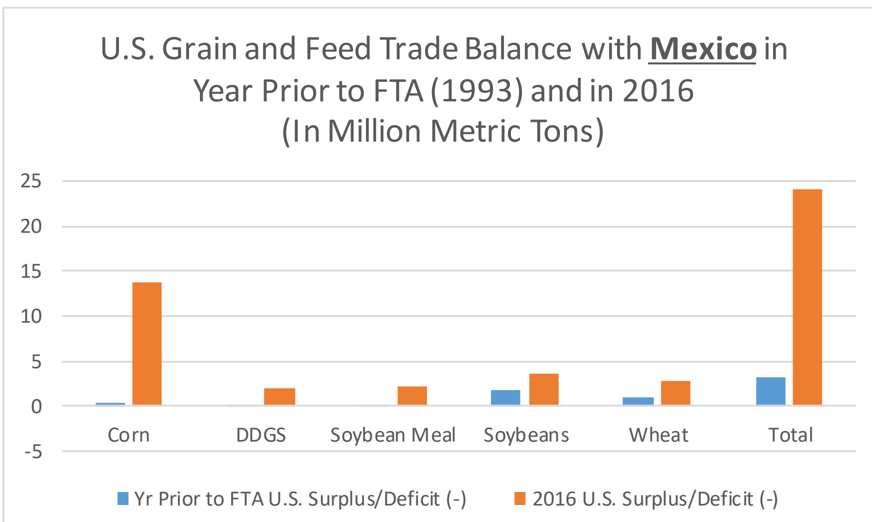

U.S. Grain and Feed Trade Balance with El Salvador in Year Prior to FTA (2005) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

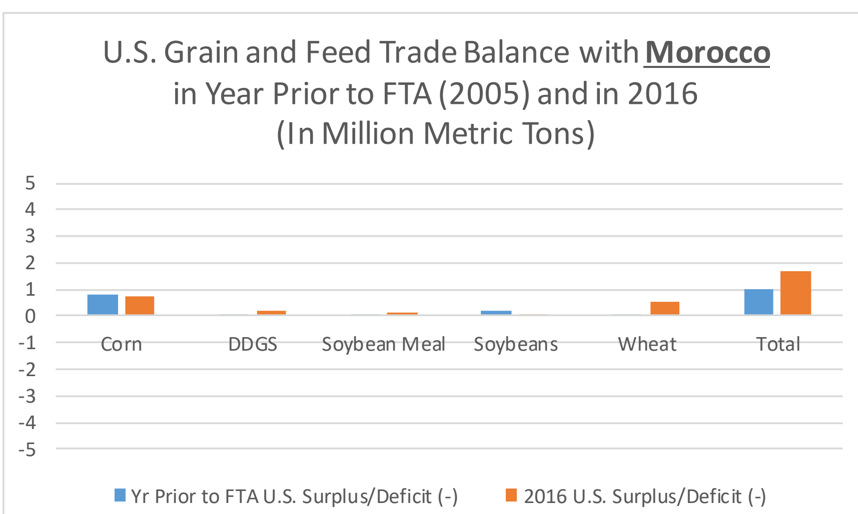

U.S. Grain and Feed Trade Balance with Guatamala in Year Prior to FTA (2005) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

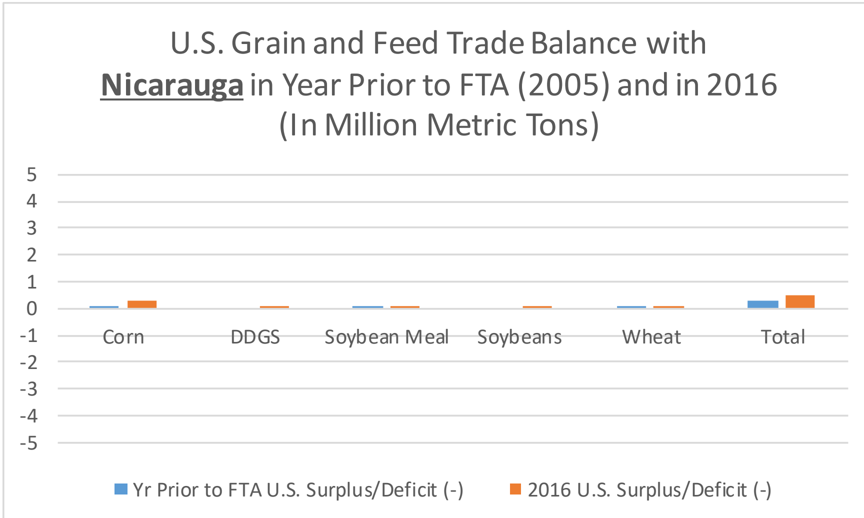

U.S. Grain and Feed Trade Balance with Honduras in Year Prior to FTA (2005) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

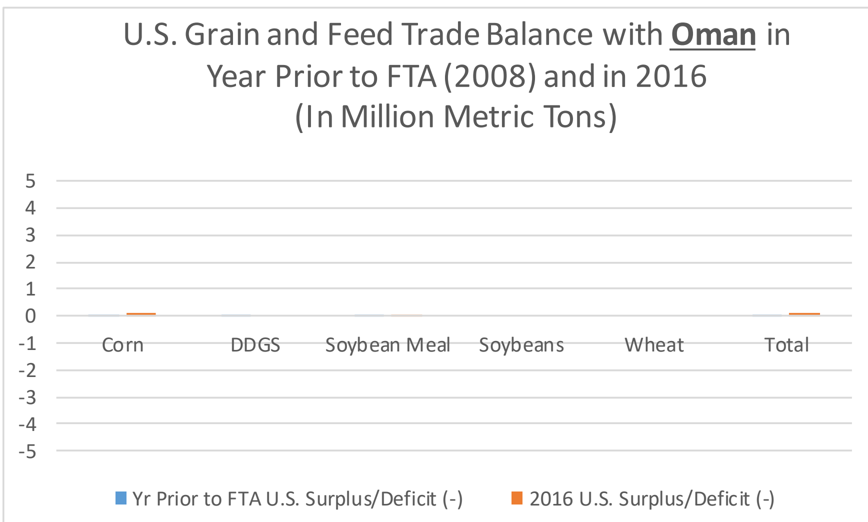

U.S. Grain and Feed Trade Balance with Israel in Year Prior to FTA (1984) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Jordan in Year Prior to FTA (2000) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Mexico in Year Prior to FTA (1993) and in 2016 (In Million Metric Tons)
25
20
15
10
5
0
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Morocco in Year Prior to FTA (2005) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Nicarauga in Year Prior to FTA (2005) and in 2016 (In Million Metric Tons)
5
4
3
2
1
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Oman in Year Prior to FTA (2008) and in 2016 (In Million Metric Tons)
5
4
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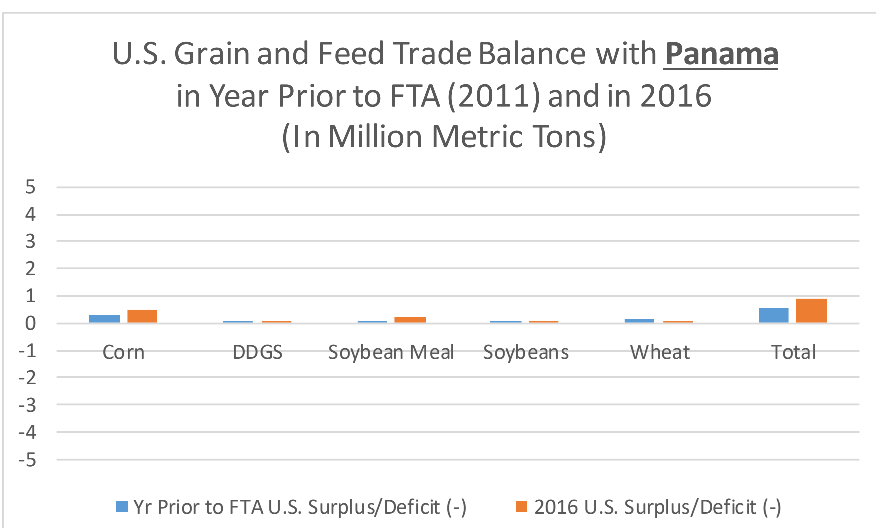
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Panama in Year Prior to FTA (2011) and in 2016 (In Million Metric Tons)
5
4
3
2
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0
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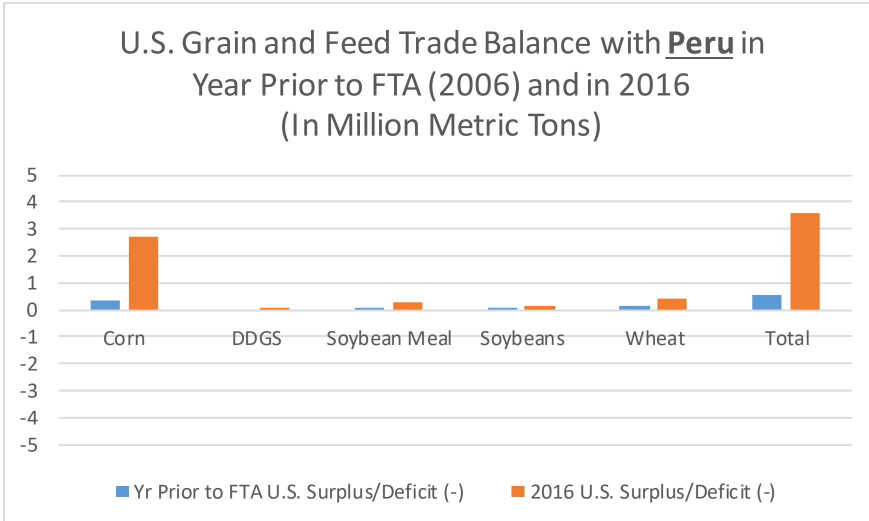
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Peru in Year Prior to FTA (2006) and in 2016 (In Million Metric Tons)
5
4
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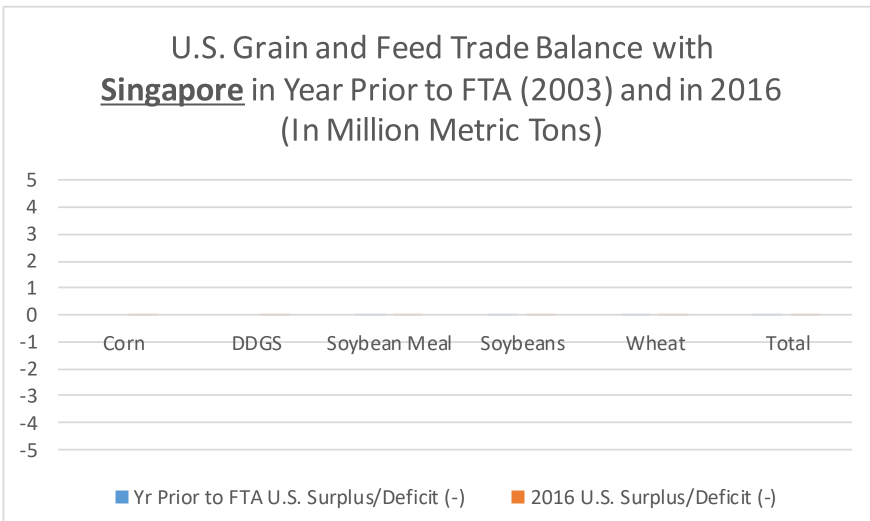
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with Singapore in Year Prior to FTA (2003) and in 2016 (In Million Metric Tons)
5
4
3
2
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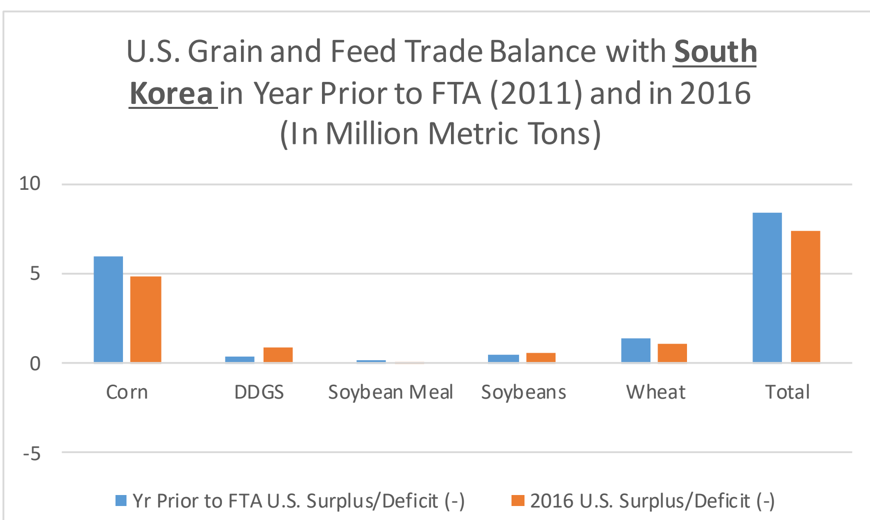
0
-1
-2
-3
-4
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)


U.S. Grain and Feed Trade Balance with South Korea in Year Prior to FTA (2011) and in 2016 (In Million Metric Tons)
10
5
0
-5
Corn
DDGS
Soybean Meal
Soybeans
Wheat
Total
Yr Prior to FTA U.S. Surplus/Deficit (-)
2016 U.S. Surplus/Deficit (-)

Grain and Feed Trade Relations with the European Union

Overall, the United States is one of the world's most competitive exporters of food and agricultural products. Each of the last nearly 50 years, the U.S. food and agriculture sector has produced a trade surplus, narrowing the overall U.S. trade deficit and contributing to U.S. economic growth and job creation.

Despite this, U.S. food and agriculture still experiences a significant trade deficit with one of the largest markets in the world, the European Union. The European Union is a WTO member with which the United States does not have a free trade agreement. While U.S. grain and feed exports continue to remain competitive in the European Union, with a positive but falling trade balance, overall food and agricultural exports, including high-value and processed goods, have experienced a significant trade deficit.

U.S. Agricultural Trade Balance with the European Union-28 in 1993 and in 2016 (In Billion $)

Commodity	1993 U.S. Surplus/Deficit (-)	2016 U.S. Surplus/Deficit (-)
Agricultural Products	-$4.1	-$15.3

Source: U.S. Department of Commerce, Bureau of Census

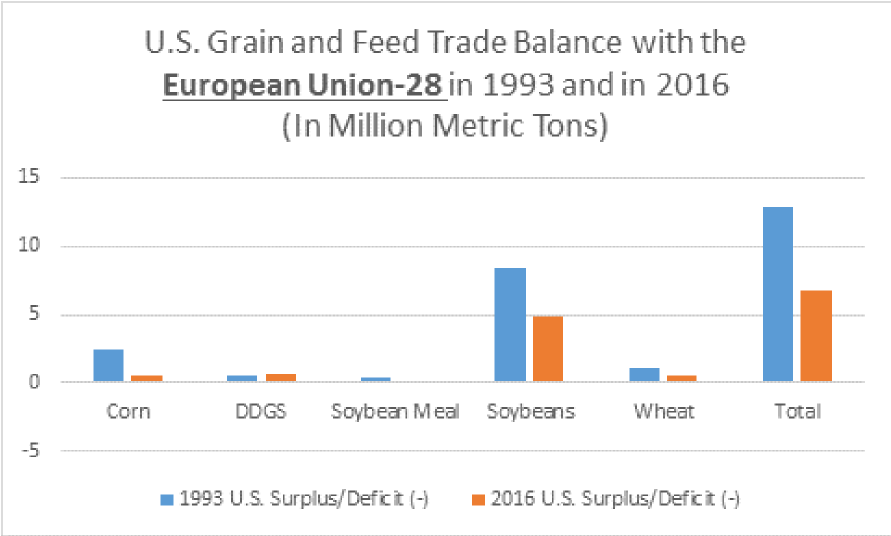
Overall, the U.S. food and agriculture sector's trade balance with the EU is a negative $15.3 billion**.** Meanwhile, the United States currently runs a trade surplus for corn, DDGS, soybean meal and wheat with the European Union. But that surplus has slipped over the last 20 years. In 1993, the United States exported 12.8 million metric tons of the aforementioned commodities to the European Union, but by 2016 the United States was exporting only 7 million metric tons.

At the heart of the U.S. food and agriculture industry's declining export balance is the European Union's non-science based and WTO non-compliant regulatory model. EU policymakers and regulators assert a 'precautionary' approach to regulatory decisions that attempts to factor in a variety of socio-political considerations. Meanwhile, the United States relies on a science- fact- and risk-based model for regulation, and is committed to an approach that properly relies upon competitive market forces. The EU's insistence on this precautionary approach, despite the WTO's ruling that the approach often relies on unscientific principles that could be out of line with WTO commitments, puts U.S. exporters at a severe disadvantage and creates an inappropriate market environment that often favors European domestic interests.

Among these disadvantages are many market-access barriers that the European Union enforces against U.S. grain and feed exporters, including:

- Scientifically unjustified and unreasonably low pesticide and maximum residue limits (MRL) on grain shipments.
- Employing an ill-functioning biotechnology regulatory process that often results in biotech events remaining unapproved for import long after being approved in non-European Union countries, creating rejection risk for U.S. grain exporters and thereby bringing U.S. exports to the EU to a standstill.

- Sampling and testing for mycotoxins at the destination on imported grain shipments instead of the normal procedure of recognizing U.S. Department of Agriculture Federal Grain Inspection Service certification of quality at export loading. Testing at destination creates risk for the U.S. shipper and reduces export volumes.
- Using a hazard-based instead of a risk-based approach for sanitary and phytosanitary regulations.
- Banning growth promoting hormones in imported beef that indirectly reduce U.S. grain and feed demand for U.S. cattle production.
- Prohibiting the use of any substance other than water to remove contamination from animal products unless the substance has been approved by the European Commission. U.S. exports of beef, pork and poultry to the EU have been significantly reduced as a result, because the European Commission has failed to approve various pathogen-reduction treatments commonly used to kill pathogens on meat after slaughter.



Conclusion

The NGFA and NAEGA are pleased to assist in identifying opportunities to update and modernize U.S. free trade agreements with other countries. But while doing so, we also strongly urge the Trump administration to promptly initiate new trade discussions – particularly with Asia-Pacific countries – that preserve and build upon the core benefits that have helped the U.S. food and agricultural sector grow U.S. exports and support economic growth and job creation. There is a sense of urgency in initiating trade negotiations with these key Asia-Pacific markets given the administration's decision to withdraw from the Trans-Pacific Partnership trade agreement, which has created a void that foreign export competitors are aggressively exploiting to the detriment of U.S. agricultural exports and our nation's economy.

Regarding free trade agreements, key areas that would preserve and enhance U.S. agricultural competitiveness and facilitate trade include not only expanded market access and tariff concessions, but also improved regulatory consistency and cooperation, removal of non-tariff barriers that lack scientific merit, enabling innovation of information technologies, recognizing comparable regulatory systems for assessing the safety of plant breeding technologies, adopting a LLP policy, and ensuring safe and orderly passage for rail and truck freight transportation.

An area of concern for NGFA and NAEGA is the trading relationship between the United States and the European Union. Many unscientifically based and unjustified barriers have been erected by the European Union to prevent greater quantities of U.S. grain, feed and value-added U.S. agricultural products from entering that important market. NGFA and NAEGA urge the administration to work with the European Union to remove the barriers and promote a better trading relationship.

The NGFA and NAEGA are eager to work actively, constructively and expeditiously with President Trump and the administration's trade team to more closely examine these key areas, and to develop specific strategies to preserve, improve and build upon existing and new trade relationships to benefit U.S. and world consumers.

Thank you for your consideration of our recommendations. We would be pleased to respond to any questions you may have.

Sincerely,

Randall C. Gordon   Gary C. Martin

Randall C. Gordon
President
National Grain and Feed Association

Gary C. Martin
President and Chief Executive Officer
North American Export Grain Association