Agriculture and Trade Agreements

Agricultural Outlook Forum
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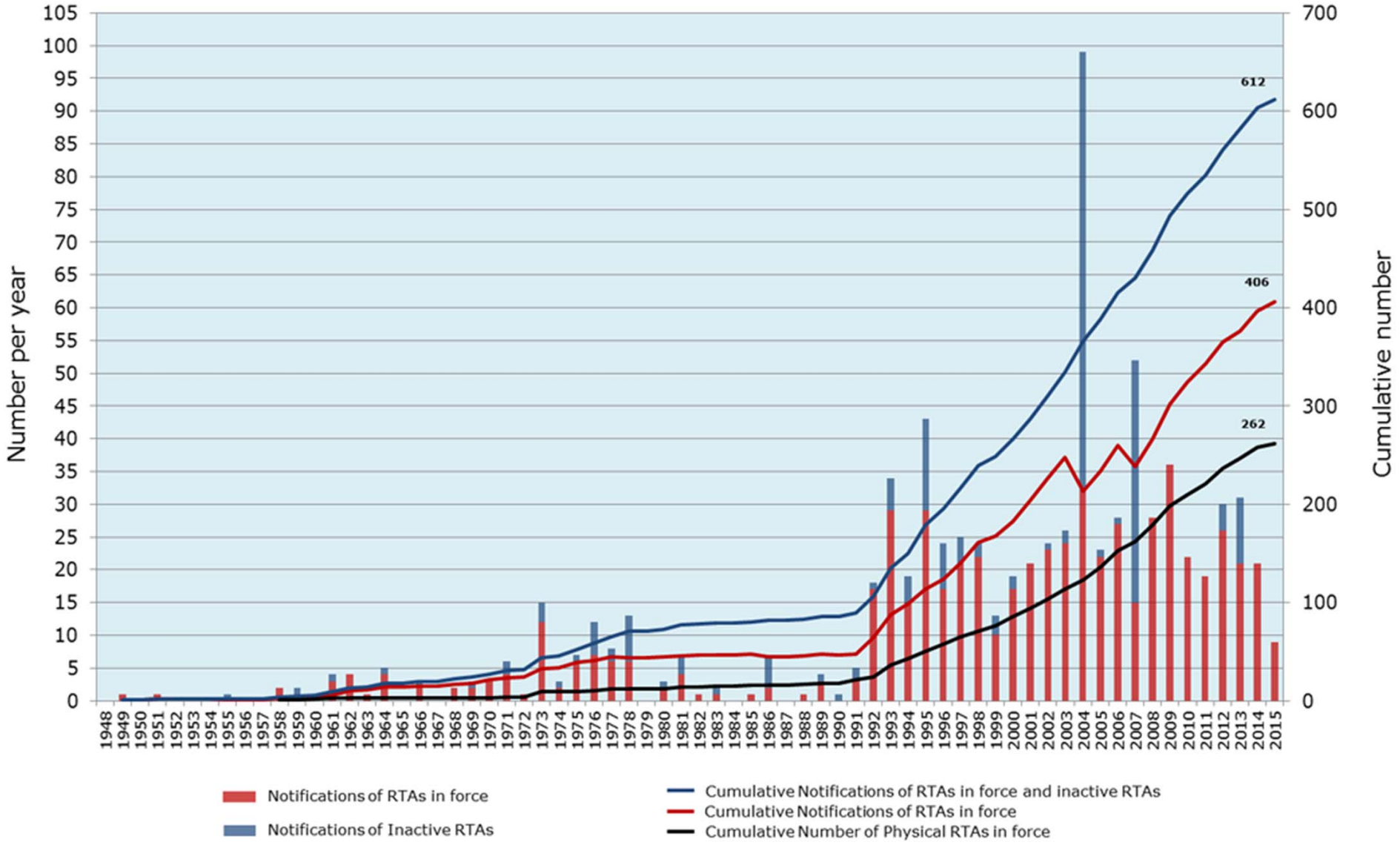
Evolution of Regional Trade Agreements in the world, 1948-2015



Note: Notifications of RTAs: goods, services & accessions to an RTA are counted separately. Physical RTAs: goods, services & accessions to an RTA are counted together.
Source: WTO Secretariat.

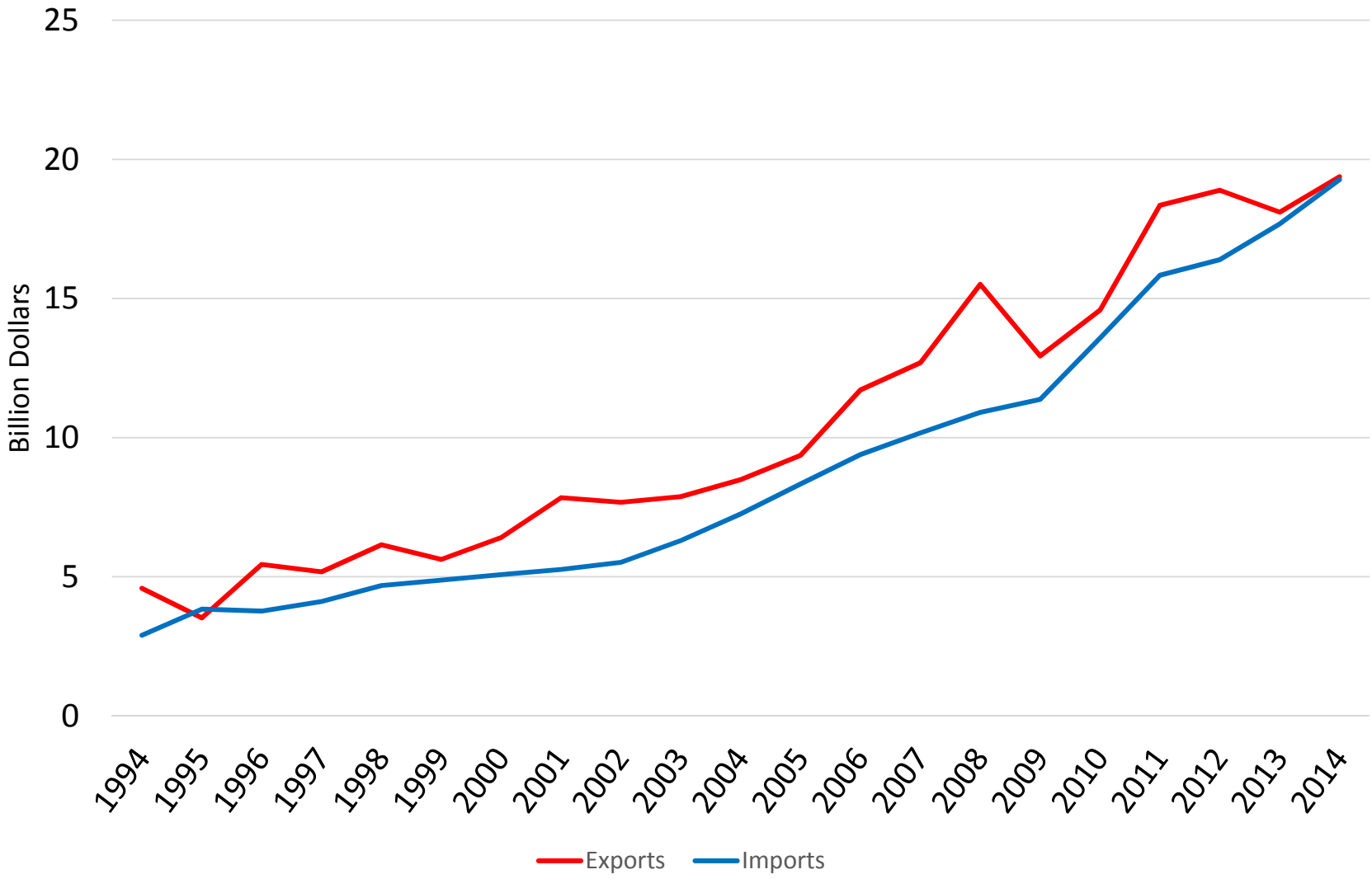
Who is Negotiating Agreements?

- EU – 37 agreements (93 countries)
- U.S. – 14 (20)
- Japan – 14 (18)
- Canada – 10 (13)
- China – 8 (15)
- Chile – 22 (54)
- Mexico – 9 (48)
- Peru – 12 (45)
- Brazil – 1 (5)

•And why?

U.S. Goods Trade Balance with FTA Partners vs. the Rest of the World $Billion		
	FTA Partners	Rest of World
2002	-100	-368
2003	-108	-424
2004	-133	-522
2005	-146	-627
2006	-148	-680
2007	-142	-667
2008	-127	-689
2009	-62	-442
2010	-80	-555
2011	-81	-645
2012	-71	-659
2013	-67	-622
2014	-62	-660

Total U.S. Agricultural Trade with Mexico



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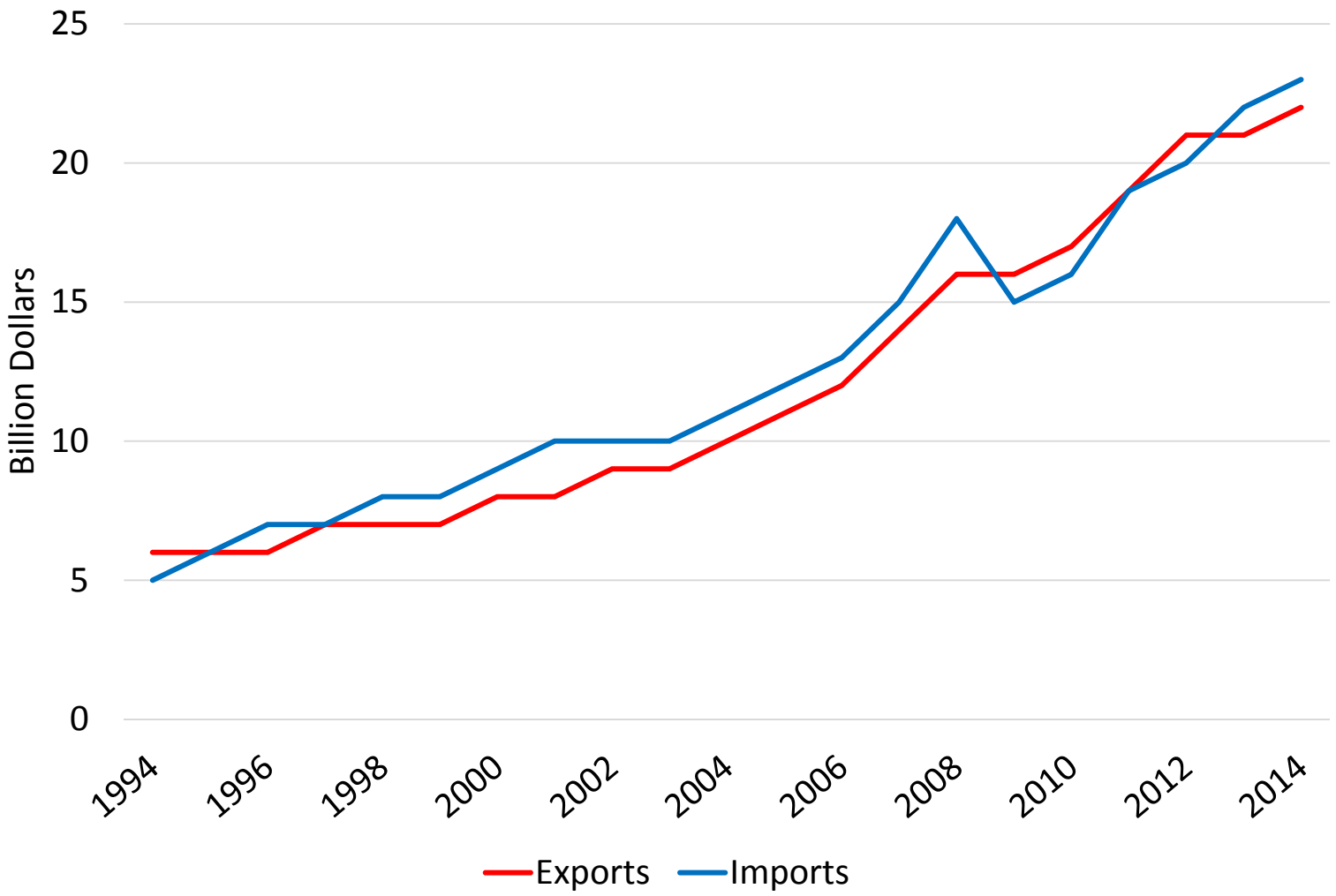
Total U.S. Agricultural Trade with Canada



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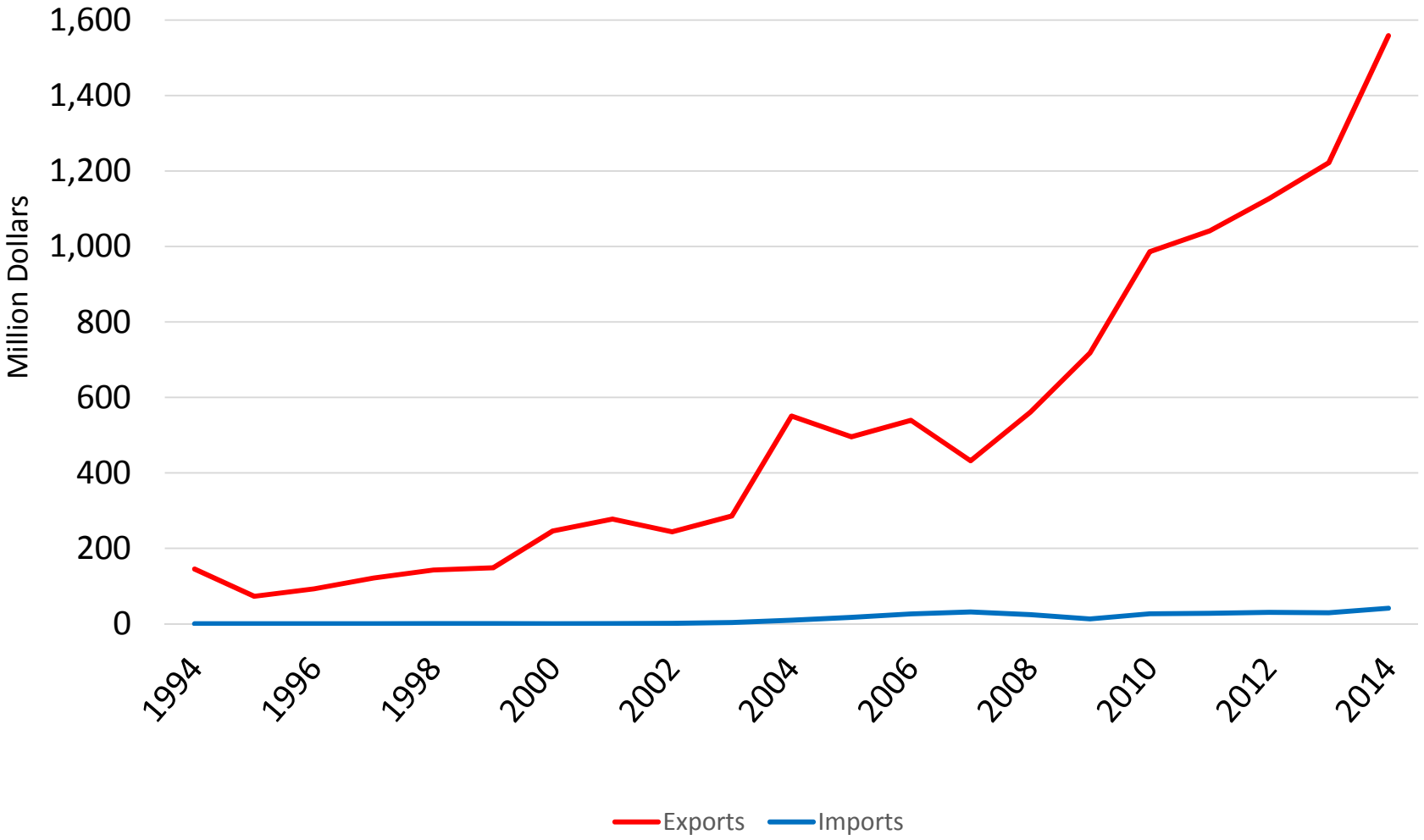
U.S. Pork Trade with Mexico



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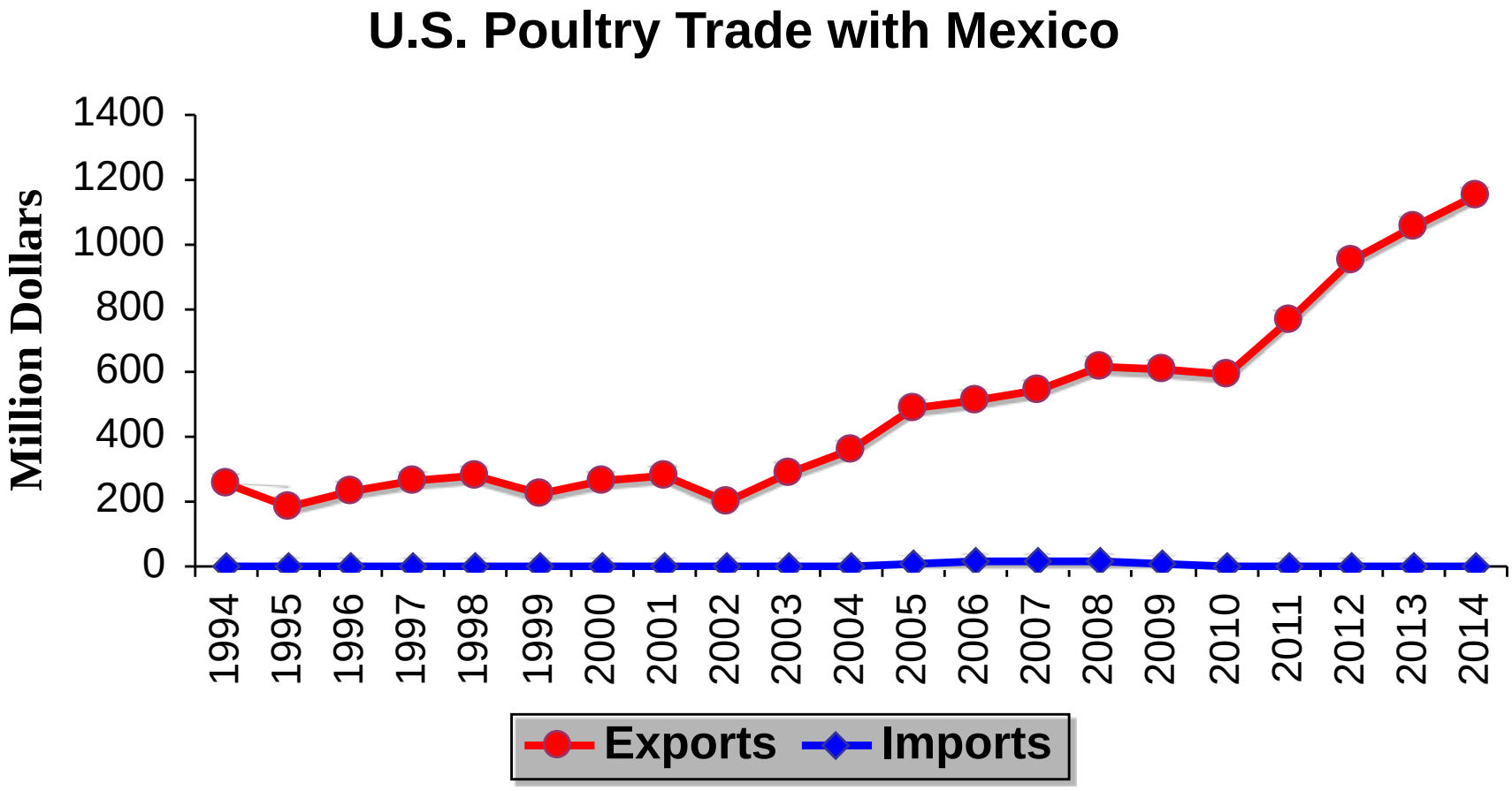
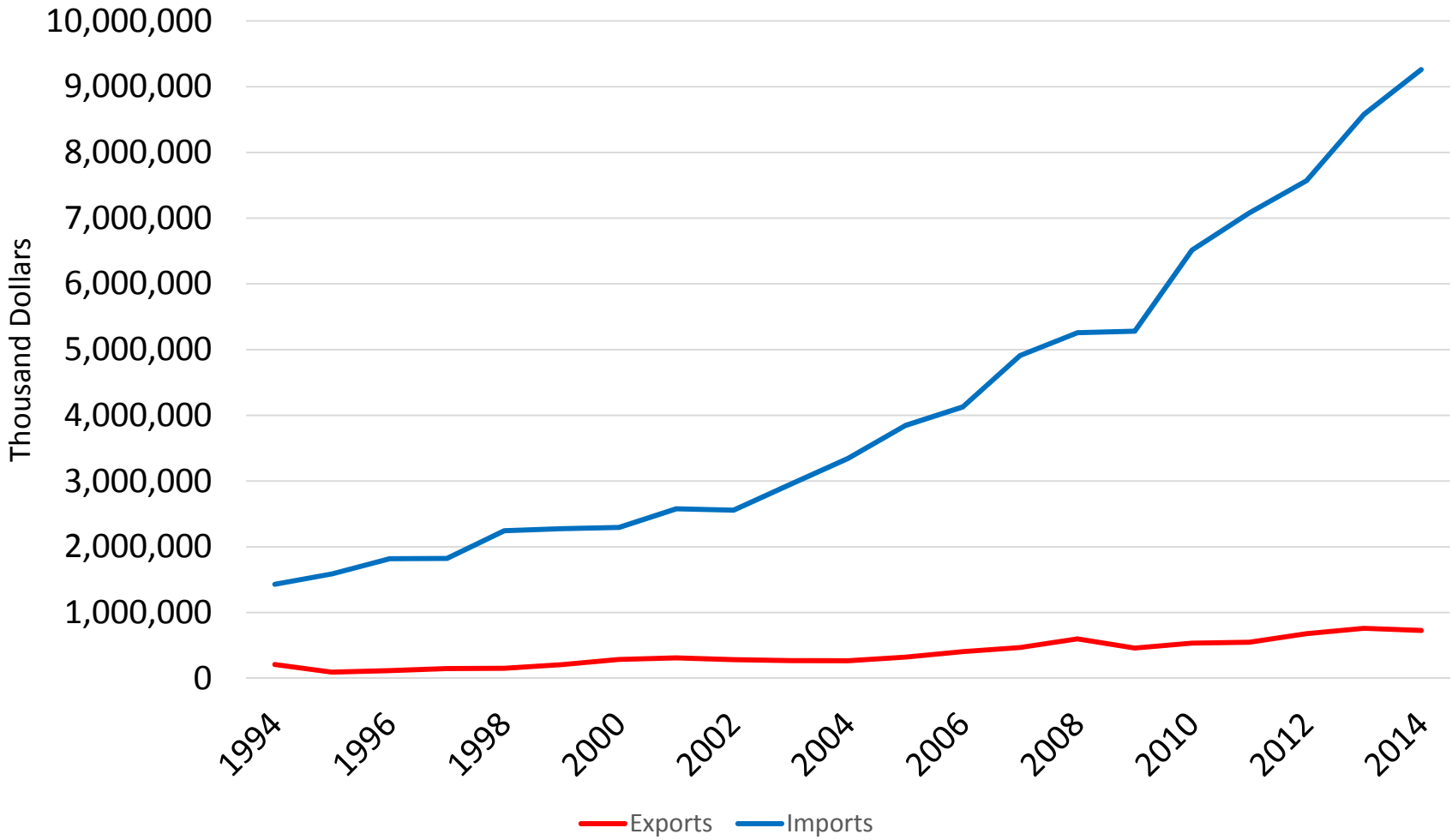
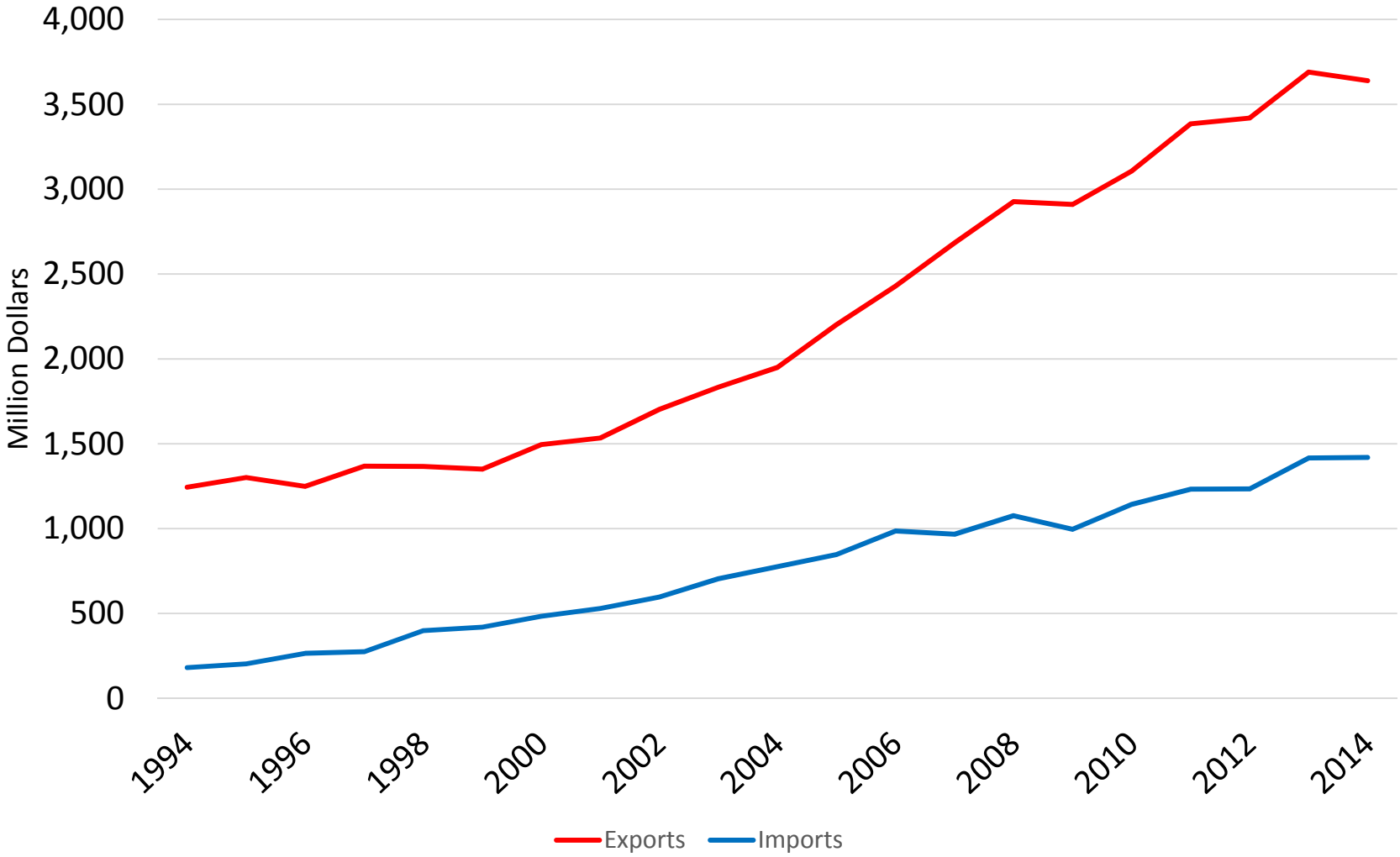

U.S. Poultry Trade with Mexico
Million Dollars
1400
1200
1000
800
600
400
200
0
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Exports
Imports

U.S. Soybean Trade with Mexico
Million Dollars
2000
1800
1600
1400
1200
1000
800
600
400
200
0
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Exports
Imports

U.S. Fruit & Vegetable Trade with Mexico



U.S. Fruit & Vegetable Trade with Canada



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Trans-Pacific Partnership (TPP)

- Significant accomplishment
  - Ambitious in scope
  - Real liberalization, real economic opportunities
- Significance for future trade policy
  - Designed as “living agreement”
  - Interest from several countries (e.g., Korea, Taiwan, Thailand, Philippines, Costa Rica, China(?))

Trans-Pacific Partnership (TPP)

- SPS Chapter: WTO-plus provisions
  - Science and risk analysis
    - Assessment: Better definition; more detailed requirements
    - Management: Least trade-restrictive option
    - International standards
  - Border checks/laboratory testing
    - Frequency and nature of checks
    - Testing: 1) confirmatory test; 2) appropriate facility; 3) validated test methods
  - Transparency (notice & comment; implementation)

Trans-Pacific Partnership (TPP)

- Good agreement, deserving of passage.
- Rejection by Congress would be huge setback for U.S. trade policy
- Caveat – market access package not up to normal U.S. standards
- Exceptions
  - Japan: rice, beef, pork, dairy, wheat and sugar
  - Canada: dairy and poultry
  - Malaysia: poultry
  - U.S.: sugar and dairy

Transatlantic Trade and Investment Partnership (TTIP)

- Good set-up for negotiation
- U.S. insisting on comprehensive scope – ag tariffs and SPS measures
  - Tariff protection less sensitive for EU than in past. However:
    - TPP may have lowered bar
    - EU has never done it before (TTIP offer)
  - SPS measures – Most major U.S. exports face SPS barriers (corn, soybeans, beef, pork, poultry, dairy)
- Danger – poor agreement on agriculture

Trade Policy Agenda for Agriculture

- Dirty little secret of FTAs: Tend to exclude agriculture
  - Tariffs
  - Subsidies
  - SPS rules
- Agenda item one: Ensure U.S. doesn't go in same direction

Trade Policy Agenda for Agriculture

- Agenda item 2: Enforcement
  - U.S.: Three ag cases in past seven years
  - Issues – subsidies, non-tariff barriers, SPS barriers
  - Lack of action threatens to legitimize practices
- Agenda item 3: Re-establish WTO as negotiating forum
  - FTAs not long-term trade policy strategy
  - Doha dead, rules under attack
  - Need a positive agenda

THANK YOU