

U.S. Food and Agriculture Dialogue for Trade Agreements
Washington, D.C.

June 22, 2016

The Honorable Michael Froman
United States Trade Representative
6007 17th Street, N.W.
Washington, D.C. 20508

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Ambassador Froman and Secretary Vilsack:

Thank you and your staff for your ongoing and recent progress in the Transatlantic Trade and Investment Partnership (TTIP) negotiations. Reflecting on what we understand from those negotiations and the need to address decisively all forms of barriers U.S. food and agricultural products face in exporting to the European Union (EU), the undersigned organizations would like to make absolutely clear that any TTIP agreement must be comprehensive and set a high standard.

We understand the administration intends to make an all-out effort in the coming months to conclude a deal before the end of the year. While we have no objection in principle to such a push, we do not want the outcome to come at the expense of resolving the toughest EU market access issues for U.S. food and agriculture.

We are concerned that in other trade agreements the EU has been successful in exempting sensitive agricultural sectors and regulatory barriers from meaningful liberalization. We believe the EU intends the same for TTIP. We could not support such an outcome and we would not accept as consolation any form of consultative mechanism to deal with the controversial agriculture issues later.

We are also concerned that the EU is negotiating to allow the growth in EU food and agricultural exports to the U.S. market to continue and even accelerate, while many U.S. exports to the EU would continue to face high duties and politically driven and non-science based regulatory barriers. Prior to 2000, the U.S. maintained a positive trade balance with the EU in agriculture, but since then the roles have reversed, with the EU's positive balance in the sector reaching a staggering \$8 billion in 2015, as a recent Foreign Agricultural Service report noted.

One of the key factors driving this dramatic agricultural trade imbalance and necessitating focus within TTIP is the EU's high level of traditional market access limitations. Despite reforms in the EU Common Agricultural Policy over the past two decades, the EU maintains high tariffs and restrictive quotas on many agricultural products, thereby impeding U.S. exports to the EU.

The other major factor leading to the transatlantic agricultural trade deficit is a variety of nontariff barriers. For the U.S., removal of onerous and unjustified regulatory restrictions is just as critical as the removal of traditional forms of border restrictions, such as tariffs and quotas. TTIP must eliminate the practices of the EU that are not scientifically justified and serve the

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purpose of restricting competition from U.S. suppliers. These practices are well documented and include restrictions tied to the use of safe production technologies, geographic indications, as well as sanitary and phytosanitary (SPS) measures.

It is not sufficient for TTIP to simply move the EU's extensive non-tariff barriers into a basket of problems to be handled in some form of future consultative mechanism. Without directly resolving these constraints on U.S. exports, TTIP will not result in a high-standard agreement—even if it eliminates tariffs on all products and incorporates the type of over-arching provisions found in the Trans-Pacific Partnership chapters addressing regulatory coherence and SPS issues.

We see a TTIP agreement as the best opportunity to address serious barriers to U.S. access to the EU food and agricultural market and believe that opportunity should be seized now by ensuring the agreement removes those barriers. If the issues our organizations have identified as serious barriers to our exports to the EU cannot be resolved satisfactorily before the end of the year, we urge you not to proceed with a “TTIP-lite” agreement, which, for the U.S. food and agricultural sector, would do much more harm than good.

In order for a TTIP agreement to be a success, it must meet the needs of the U.S. food and agricultural industry. Anything less will fail to gain the necessary support for ratification while making it all the more difficult to achieve the resolution of the various issues plaguing our industries. Therefore, it is imperative that the U.S. ensures that these critical issues are addressed within the current TTIP agreement.

Sincerely,

American Beverage Association
American Farm Bureau Federation
American Feed Industry Association
American Seed Trade Association
American Soybean Association
Animal Health Institute
Biotechnology Innovation Organization
Corn Refiners Association
CropLife America
International Dairy Foods Association
National Barley Growers Association
National Cattleman's Beef Association
National Chicken Council
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council

National Turkey Federation
National Sunflower Association
North American Export Grain Association
North American Meat Institute
Northwest Horticultural Council
Pet Food Institute
U.S. Apple Association
U.S. Apple Export Council
U.S. Dry Bean Council
USA Dry Pea and Lentil Council
USA Rice
U.S. Dairy Export Council
U.S. Grains Council
U.S. Hide, Skin and Leather Association
U.S. Meat Export Federation
U.S. Wheat Associates
William James and Associates, LLC
World Perspectives, Inc.