

National Corn Growers Association (NCGA) Negotiating Objectives for the North America Free Trade Agreement (NAFTA) Modernization

Testimony by: Kevin Skunes, First Vice President, NCGA

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Good morning/afternoon. Thank you for the opportunity to testify before the U.S. International Trade Commission and the Office of the U.S. Trade Representative. My name is Kevin Skunes, and I am a farmer from Arthur, North Dakota, where I grow corn and soybeans. I am here today speaking on behalf of the National Corn Growers Association as its First Vice President. NCGA represents the interests of more than 300,000 corn farmers nationwide.

Trade has been a central driver of growth of the U.S. agriculture economy. Corn farmers export about 20 percent of our annual corn crop, and exports account for about one-third of our income. Today, the agriculture economy is experiencing its fourth year of a downturn marked by low commodity prices. I cannot stress enough how important export markets are to our ability to stay in business.

Free trade has benefitted American farmers, and NAFTA has been extremely valuable to our industry. In the 23 years since NAFTA was implemented, trade with Mexico and Canada has increased dramatically. North America has become the most important export market for the U.S. corn industry. During NAFTA's lifetime, U.S. agricultural value chains have grown and integrated to capitalize on geographic proximity and to facilitate trade with Mexican and Canadian industries.

Twenty-three years of investment has led to a sizeable increase in trade. Since 1994, U.S. corn exports to NAFTA partners have increased more than seven-fold. Today, we export a record volume of more than 14 million metric tons of corn to Mexico and Canada, valued at \$2.68 billion. In 2016, corn exports to these two neighbors supported 25,000 jobs, on top of helping support 300,000 U.S. corn farmers.

NAFTA has been overwhelmingly positive for our members, but NCGA acknowledges the value of modernizing the agreement to reflect today's economy. We appreciate this opportunity to recommend ways to enhance U.S. corn farmers' businesses and set a standard for future trade agreements.

However, it is important to restate how critical the existing NAFTA agreement is for corn farmers and agriculture at large, and to acknowledge the potential risk opening this agreement poses to farmers. When trade relationships are disrupted, agriculture is often the first target for retaliation. Any major changes or disruptions to this economic partnership, even those in non-

agricultural areas, could have disastrous consequences for American farmers and the workers they help support.

A governing principle of this negotiation must be “do no harm.” We must not jeopardize existing market access. Consistent and constructive engagement with Canada and Mexico is critical to prevent unintended consequences for agriculture. NCGA’s top priority for the negotiations is preserving duty-free access for corn and corn products and expanding market access for corn used in all forms, including livestock products, distillers dried grains with solubles, and ethanol.

Second, NAFTA modernization presents an opportunity to improve regulatory coherence and cooperation. NCGA recommends the following measures:

- Adopt Sanitary and Phytosanitary provisions that require transparent, science-based standards for assessing human, animal, or plant health risk. Such language can be found in the Trans-Pacific Partnership agreement.
- Ensure technical regulations and standards are transparent, non-discriminatory and do not create unnecessary technical barriers to trade.
- Improve transparency and information-sharing on trade of agricultural products derived from biotechnology.
- Advance coherent national renewable fuels policies.

In conclusion, continuing the long-term success of NAFTA is a top priority to NCGA’s members, who have benefitted from this and other free trade agreements. NCGA participates in the U.S. Food and Agriculture Dialogue for Trade and the U.S. Biotech Crops Alliance and supports their written comments as well. We look forward to working with USTR and the Administration to build on the success corn farmers and the broader agriculture industry have enjoyed under NAFTA. Thank you.