November 19, 2019

The Honorable Richard Neal
Chairman
Ways and Means Committee
U.S. House of Representatives

The Honorable Kevin Brady
Ranking Member
Ways and Means Committee
U.S. House of Representatives

The undersigned food and agricultural associations write to express our strong support for the U.S.-Japan Trade Agreement, phase-one. The Agreement is critical to our economic prosperity and strengthens the U.S. food and agriculture sector by increasing the competitiveness of American farmers, ranchers, and food exporters in the Japanese market.

The U.S. food and agricultural industry is a major contributor to the U.S. economy, supporting more than 22 million jobs including more manufacturing jobs than any other U.S. manufacturing sector. Agriculture-related activity accounts for 20 percent of the U.S. economy. Our export-dependent industry is the economic backbone of rural America and an essential driver of the overall economy, stimulating employment all along the value chain and in ancillary business, as well.

Japan's $5.0 trillion economy is the third largest in the world. A trade agreement between the United States and Japan is critical since Japan is already the United States' fourth-largest agricultural export market and our major competitors have received impactful tariff reductions under the Comprehensive and Progressive for Trans-Pacific Partnership Agreement (CP-TPP).

Under phase-one of the U.S.-Japan Trade Agreement, over 90 percent of U.S. food and agricultural imports into Japan will either be duty free or receive preferential tariff access once the Agreement is implemented, according to the Office of the U.S. Trade Representative. The tariff treatment for the food and agriculture products covered in this phase-one agreement will match most of the tariffs that Japan provides preferentially to countries in the CP-TPP. The improved access through tariffs and liberalized quotas are crucial to U.S. exporters and processors and a step towards expected phase-two negotiations on more market access and non-tariff measures in the Japanese market, including sanitary and phyto-sanitary measures, in a comprehensive trade agreement.

Of critical importance is the expected implementation in January 2020, providing the Agreement's parity treatment with CP-TPP imports. Upon implementation, U.S. exporters will reestablish their footing with CP-TPP competitors in most tariff reductions and establish deeper and new trade relationships in the Japanese marketplace. Further, U.S. beef, pork, poultry, dairy, fruit and vegetable, grains, and other food and agriculture exporters and processors are eager for the commencement of second-phase negotiations to build on the market access gains achieved in the phase-one deal, as well as begin discussions on non-tariff barriers to secure a comprehensive trade pact for consideration by Congress.

The U.S.-Japan Trade Agreement will benefit farmers, ranchers, and workers in the food and agriculture community. Accordingly, we respectfully urge your support for implementation of the U.S.- Japan Trade Agreement in early 2020, as targeted.

Sincerely,

Agriculture Transportation Coalition
American Farm Bureau Federation
American Fruit and Vegetable Processors and Growers Coalition
American Soybean Association
Coalition of New England Companies for Trade
Corn Refiners Association
Edge Dairy Farmer Cooperative
Farmers for Free Trade
Global Cold Chain Alliance
International Dairy Foods Association
National Association of Egg Farmers
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Potato Council
National Sorghum Producers
National Sunflower Association
North American Export Grain Association
North American Meat Institute
Northwest Horticultural Council
Pacific Coast Council of Customs Brokers and Freight Forwarders
Pacific NW Asia Shippers Association
Sweetener Users Association
Texas Farm Bureau
United Fresh Produce Association
U.S. Apple Association
U.S. Dairy Export Council
USA Dry Pea & Lentil Council
U.S. Food and Agriculture Dialogue for Trade Asia-Pacific Working Group

cc: Members of House Ways & Means Committee