

**Hearing on Expanding U.S. Agriculture Trade and Eliminating Barriers to U.S.
Exports**

HEARING
BEFORE THE
SUBCOMMITTEE ON TRADE
OF THE
COMMITTEE ON WAYS AND MEANS
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Hearing on Expanding U.S. Agriculture Trade and Eliminating Barriers to U.S. Exports

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:01 a.m., in Room 1100, Longworth House Office Building, Hon. Dave Reichert [chairman of the subcommittee] presiding.

Chairman Reichert. This hearing will come to order. Thank you all for being here, and good morning. This subcommittee will come to order, and welcome to the Ways and Means Trade Subcommittee hearing on Expanding U.S. Agriculture Trade and Eliminating Barriers to U.S. Exports. Before hearing from our witnesses, I would like to make a few points myself, and will turn to Ranking Member Rangel also for some opening statements.

The United States is and must remain the world's leading agricultural exporter. We excel at producing and exporting a wide variety of agriculture products. For example, my home State of Washington is a leading exporter in fruit, vegetables, and wheat. If our agriculture sector is to continue to grow and to be a source of prosperity and jobs, we must be able to sell to the world's expanding markets. In addition, agricultural exports benefit both rural and urban America.

It is well known that America's farmers and ranchers increasingly depend on expanding exports. However, less well known is the fact that two-thirds of the jobs supported by agriculture exports are outside of farming. These jobs are in areas as diverse as transportation, financial services, and biotechnology research. Moreover, producers of further processed agricultural products, such as Washington State's world famous breweries and wineries, are important job creators.

This is why more needs to be done to tear down tariff and nontariff barriers to U.S. agriculture. Washington State fruit and vegetable exporters, on average, face tariffs of over 50 percent when they try to sell abroad. And nontariff barriers are becoming even a greater problem for our farmers and ranchers. USTR and USDA have been successful in fighting against many of these barriers, such as Indonesia's nontariff barriers on horticulture imports, but many still remain today.

For example, I am particularly concerned about the World Health Organization's attempt to impose restrictions on dairy products for young children that have no basis in science. In

addition, the EU's restrictions on the use of generic food names by improperly designating them as geographical indications remains a significant problem.

Trade agreements are an effective tool to lower these barriers and open markets for America's agricultural exports. Even though we just implemented the Colombia and Korea free trade agreements a few years ago, U.S. agricultural exports to those countries are already setting triple-digit percentage growth for some products.

The TPP agreement also holds great promise. It would eliminate or significantly reduce tariffs and quotas for agricultural exports to the fastest growing region in the world. I am particularly pleased that TPP would establish enforceable WTO-plus obligations to ensure that SPS measures are not used as hidden protectionism, while not diminishing in any way the ability of the United States to guarantee the safety of imported food.

TPP's provisions on biotechnology and preventing the abuse of geographical indications are also important. However, trade agreements must be done right, must be fully implemented and enforced to benefit America's agricultural producers. For example, this means that Canada simply cannot go back on its commitments in TPP and NAFTA and limit imports of U.S. dairy products through protectionist regulatory changes, as it is proposing.

Likewise, the administration must also work with other TPP countries, as well as Congress and stakeholders, to develop plans as to how these countries will comply with TPP's obligations on SPS measures and other agriculture-related areas. This will be essential to getting congressional support for the agreement, in addition to resolving other outstanding issues.

The negotiation of the trade agreement with the EU holds a lot of promise for agriculture products and exports, but it must be a comprehensive, high-standard agreement. That means knocking down the EU's 30 percent average agricultural tariff and forcing the EU to remove its countless nontariff barriers on the United States' products. The fact that the U.S. has a significant agricultural trade deficit with the EU but a large agricultural trade surplus with the rest of the world shows that that burden lies with the EU to open up its market.

Chairman Reichert. So I will now yield to the ranking member, Ranking Member Rangel, for his opening statement.

Mr. Rangel. Thank you, Mr. Chairman. I ask unanimous consent that my opening statement be placed into the record.

Chairman Reichert. Without objection.

[The Honorable Charles Rangel](#)

Mr. Rangel. The reason I do that is because you mentioned what is necessary for us to have congressional support for TPP. And to my political knowledge, there is no calendar for this to come before the Congress. So I hope our witnesses could express themselves, because there are many of us who believe that there is an opportunity here, if we take advantage of the fact, that

infrastructure and the education and technology has to be a part of this package. The votes are not there. But I assure you that there are communities, if they can see a future for their young people in terms of education and technology, if they can see that infrastructure is a necessary part of a successful trade agreement, but just standing alone out there just seems to me that it is not on our legislative calendar. But we can do something about it.

Another point that is not mentioned at all is I cannot see how the agricultural sector of our great Nation can overlook the opportunities we have in Cuba. I just want any witness to tell us why we should not open wider the opportunities we have in Cuba in view of the close proximity and the ability of our farmers and dairy people and ranchers to meet the needs of these people.

And lastly, I do hope, Mr. Chairman, that maybe the committee can get together and see whether we have some strategy, before or after the election, to see what good are these meetings unless we are going to ultimately have some type of a timetable to vote on this issue. Because my days in Congress are very, very limited because of my intention to retire, but it certainly would be exciting for the President and for the Congress, both the House and the Senate, to be able to say that we think this legislation is so important, as do the witnesses, that it receives some type of priority, notwithstanding the logjam that we appear to have on other pieces of legislation.

So I welcome the witnesses. I hope you talk in terms of infrastructure and technology. I hope you don't forget that even though Cuba is not a part of TPP, it certainly is a part of the industry. And I compliment and praise you, Mr. Chairman, for keeping hope alive.

Chairman Reichert. Well, together we can do that. And today's hearing is just a part of the process in trying to educate members on the benefits of trade, and especially today focused on TPP and TTIP. And I think the conversation today will generally lead to a conclusion that selling of American products, whether manufactured or grown, is a huge benefit to our economy and a job creator.

So our hope is the same as yours, that this becomes a trade agreement that we can all finally come to agreement on ourselves somewhere in the near future, but there are outstanding issues that need to be resolved. And we are going to work hard to accomplish resolution of those issues with the ambassador of USTR, Ambassador Froman.

So thank you for your kind comments, Mr. Rangel. And, again, thank you all for being here.

We are joined by five witnesses today. The first witness is Mr. Kevin Paap, president of the Minnesota Farm Bureau and chair of the American Farm Bureau Federation Trade Advisory Committee. Our second witness is Mr. Randy Mooney, chairman of the National Milk Producers Federation. Our third witness is Mr. John Weber, president of the National Pork Producers Council. I am proud to say our last two witnesses are from my home State of Washington. The first is Mr. Dale Foreman of Wenatchee, Washington, who is the chairman of the Foreman Fruit Company and the past chairman of the USA Apple and Washington Apple Commission. Dale has also served as majority leader of the Washington State House of Representatives. And finally, last but not least, is Ms. Heather McClung, of Seattle, Washington,

who is the co-owner of Schooner EXACT Brewing Company and president of Washington Brewers Guild.

And before recognizing our first witness, let me note that our time is limited so you should limit your testimony to 5 minutes, please. And members should keep their questions to 5 minutes.

Mr. Paap, before you begin, I know that Mr. Paulsen would like to take this opportunity to personally introduce you since you are both from Minnesota.

Mr. Paulsen.

Mr. Paulsen. Thank you, Mr. Chairman. It is my honor and privilege to have a fellow Minnesotan join us today. Kevin Paap is president, as you mentioned, of the Minnesota Farm Bureau and a fourth generation farmer in Minnesota, growing both corn and soybeans.

And I think every one of us understands the important role that agriculture plays in our economy, but I am proud to say that Mr. Paap has been a champion for farmers across my home State of Minnesota and the country. He has worked tirelessly to advance policies that will benefit America's farmers, both domestically and internationally. Mr. Paap is currently serving his sixth term as the president of the Minnesota Farm Bureau, and he has the distinction of also being the chairman of the American Farm Bureau's Trade Advisory Committee.

He has been a tremendous partner in educating farmers throughout my State to understand how important trade is for their business. And I want to thank Mr. Paap for making the trip to Washington today. And I look forward to hearing his thoughts on how we can increase trade opportunities for America's farmers.

Thank you, Mr. Chairman.

Chairman Reichert. Thank you, Mr. Paulsen.

Mr. Paap, you are recognized for 5 minutes. And your written statement will be made a part of the record. So please continue with your statement.

**STATEMENT OF KEVIN PAAP, PRESIDENT, MINNESOTA FARM BUREAU;
CHAIR, AMERICAN FARM BUREAU FEDERATION TRADE ADVISORY
COMMITTEE**

Mr. Paap. Thank you, Mr. Chairman. And good morning. My name is Kevin Paap, fourth generation farmer from Blue Earth County, Minnesota, where my wife and I, who is with me today, raise corn, soybeans, and boys. I am president of the Minnesota Farm Bureau Federation, chair of the Trade Advisory Committee on the American Farm Bureau Board, as mentioned.

A little over 5 weeks ago we finished planting our corn and soybean crops. And whether it was sitting in the tractor cab watching the 12 rows on the computer monitor while I am planting or while we physically were placing seed in the 12 seed boxes on the planter, I am thinking about

the fact that 4 or 5 of those 12 rows on that planter, every time we go across the field, 40 percent of what I have just planted will be grown for international markets.

You know, America's farmers and ranchers are truly blessed. We can grow more than we can use. Last year, our agriculture exports of \$133 billion demonstrate the strength of our agriculture productivity, the important contribution of trade to our economic well-being, and the ability of the United States to provide competitive food and farm products to markets worldwide. Farm Bureau strongly supports efforts to increase agriculture trade through comprehensive trade agreements.

I would like to briefly highlight our written testimony. Expanding our trade opportunities happens through tariff reduction and removal and by the adoption of science-based standards for international agriculture and food trade. Both of these are critical to successful trade outcomes for agriculture. Our analysis of the Trans-Pacific Partnership Agreement shows a significant positive impact on agriculture, with an increase of net exports to the TPP countries of \$5.3 billion annually and a boost to net farm income of \$4.4 billion annually. American Farm Bureau strongly supports passage of TPP.

Along with tariff reductions and market access gains, the TPP makes important changes to trade rules for agriculture, addressing the nontariff barriers that reduce trade. The most important of these changes are the commitment to have science-based food safety standards. Also, crucial to exporters and importers is a rapid response mechanism that will notify them when an inbound shipment is being restricted. This will help speed trade, reduce losses to perishable products, and lower costs.

For biotechnology products, now so important to the U.S. agriculture trade, the agreement commits the participating countries to increase the transparency of national laws and regulations. The TPP agreement provides an opportunity to increase markets for U.S. agriculture by removing barriers to trade within a dynamic region.

Another important area of the elimination of the tariff and nontariff barriers will open new markets for U.S. agriculture's European Union. Transatlantic Trade and Investment Partnership negotiations between the U.S. and the EU must deal with the many issues that impede U.S.-EU ag trade, such as tariffs and the longstanding barriers against U.S. meat exports. The U.S. and the EU are major international trading partners in agriculture. U.S. farmers and ranchers exported more than \$12.1 billion of ag and food products to the EU in 2015, while the European Union exported \$20.1 billion worth of agriculture products to us last year.

You know, the EU was once the largest destination for U.S. agriculture exports. Today, it has fallen to our fifth largest market. Number five. Tariff and regulatory barriers have become significant impediment to increased exports. These negotiations must result in a modern, science-based and risk-based approach to food safety based on international standards which can truly settle disputes.

We must also resolve issues related to the approval of biotechnology products. In the European Union, implementation of a regulatory procedure approving the import of new biotechnology

products has been slow and has suffered from political interference. In China, the timeline for biotech product approval for food, feed, or processing has grown less certain and extended in duration since 2012. The divergence in U.S. and Chinese approvals have and will continue to put billions of dollars of U.S. exports at risk.

America's farmers and ranchers are blessed. We can grow more than we can use. We know that increasing demand by expanding trade is necessary for our continued success. Expanding trade opportunities is an action that Congress needs to support.

We appreciate your leadership in holding this hearing and look forward to working with the committee on advancing the progress of international agriculture trade.

Chairman Reichert. Thank you, Mr. Paap.

Mr. Mooney, you are recognized for 5 minutes.

STATEMENT OF RANDY MOONEY, CHAIRMAN, NATIONAL MILK PRODUCERS FEDERATION

Mr. Mooney. Well, Chairman Reichert, Ranking Member Rangel, and members of the committee, thank you for inviting me here to testify on the topics of expanding U.S. agricultural trade and eliminating barriers to U.S. exports.

My name is Randy Mooney. My wife Jan and I operate Mooney Dairy in Rogersville, Missouri. I serve as chairman of the National Milk Producers Federation, which is celebrating its 100th anniversary this year.

Trade has become such a big driver in the economics of America's dairy industry. Last year, we exported over \$5 billion worth of dairy products, up 435 percent since the year 2000. Clearly, this is not my grandfather's dairy industry.

Over the last 15 years, foreign sales have helped us tap into millions more customers throughout the world, a development that has helped boost milk prices on average over that period. Those benefits go far beyond the farm, though.

Last year's dairy exports supported more than 120,000 American jobs solely at the dairy production and manufacturing level. The dramatic export growth we have experienced over the past two decades have made possible and key by the numerous well-negotiated FTAs put in place over that period, combined with the impacts of the WTO Uruguay agreement.

Looking ahead, we need strong market opening trade agreements as well as diligent implementation and enforcement of the terms of those deals. Toward that end, I would like to focus my remaining comments here today on a few main areas: TPP, Canada's persistent flouting of the trade commitments, TTIP negotiations, and protecting common food names.

NMPF supports TPP. We believe that this agreement could deliver important benefits to U.S. dairy farmers, provided that it is properly implemented and enforced. Particularly important are its groundbreaking SPS and GI provisions. But trade compliance is critical. If TPP partners are allowed to erode existing access in order to undermine future U.S. TPP gains, it is hard to see how it will live up to its potential to move us forward compared to the status quo as of TPP's close last fall. This is particularly a concern when you talk about Canada.

Our neighbors to the north, Canada, has repeatedly disregarded its trade commitments to us. The most recent Canadian policy shift, which has already led to export losses, is an Ontario milk pricing policy that may soon also be implemented nationally. Mr. Chairman and members of the committee, we are drawing the line here. This recent action by Canada is a clear violation of their prior trade commitments, as well as the spirit of the TPP, and it cannot be permitted.

Finally, I want to stress that where we are on TTIP right now is extremely alarming because the EU has such a well-known reputation for blocking U.S. ag exports. That pattern is a part of what drives the huge trade deficit we have with the EU. Dairy trade is not only about a few specialty cheeses. We are the largest exporter in the world of skim powder, skim milk powder, whey ingredients, and cheese. So given a level playing field, we expect to see a more even level of Transatlantic dairy trade.

Let me be clear. TTIP cannot be an agreement that expands EU dairy exports while failing to resolve barriers to U.S. dairy exports. That is why negotiators need to focus on the underlying problems we face in accessing the EU market, not the isolated symptoms of it. We are deeply concerned by the focus on concluding TTIP negotiations this year, despite a lack of progress to date in tackling the EU's nontariff barriers to U.S. dairy exports. Meanwhile, the EU is not only maintaining their existing barriers, but it is actively pushing in TTIP to impose new barriers through special geographic indicator provisions.

Mr. Chairman, this basket that is sitting here in front of me is American agricultural products from Valencia oranges to Asiago and Parmesan cheese to Black Forest ham and to wines with the label Chateau. It includes several of the common name products that the United States cannot currently export to Europe or other foreign markets. Compounding those serious export challenges, the EU is now working to prevent us from selling products with these common food names, even in the United States.

America's dairy farmers will not support a TTIP agreement that incorporates policies aimed at artificially increasing the \$1.5 billion transatlantic dairy trade deficit. A solid deal must level the playing field.

And in closing, I want to mention that as we work to open new markets for dairy around the world, we are also taking a proactive approach on other important issues. In the purview of this committee, we are supporting the introduction of a bill this week by members of this committee that would create an investment tax credit to help offset the upfront capital cost of biogas systems and nutrient recovery technology in order to improve environmental outcomes.

So, Mr. Chairman, I appreciate the opportunity to provide the comments on these important issues. Thank you very much.

Chairman Reichert. Thank you, Mr. Mooney.

Mr. Weber, you are recognized.

STATEMENT OF JOHN WEBER, PRESIDENT, NATIONAL PORK PRODUCERS COUNCIL

Mr. Weber. Good morning, Chairman Reichert, Ranking Member Rangel, and members of the subcommittee. My name is John Weber. I am a pork producer from Dysart, Iowa, and president of the National Pork Producers Council.

The economic well-being of American agriculture and the U.S. pork industry depends on maintaining strong export markets and creating new market access opportunities. With 95 percent of the world's population living outside of the United States, access to export markets is critical. Since 1989, when the United States began using bilateral and regional trade agreements to open foreign markets, U.S. agricultural exports have quadrupled in value and are now at \$133 billion.

In our industry, we went from exporting just under \$400,000 in the year the U.S.-Canada free trade agreement took effect to nearly \$5.6 billion last year. The U.S. pork industry now is the number one exporter of pork in the world.

The benefits of free trade agreements to pork producers like myself is underscored by one fact. The U.S. pork industry now exports more pork to the 20 countries with which the United States has free trade agreements than to the rest of the world combined. And those exports, which last year added \$48 to the price of each hog sold, don't just benefit all U.S. pork producers. They are a boon to the entire U.S. economy.

Pork exports support 110,000 U.S. jobs. We must continue to grow our exports and we must do so through free trade agreements which eliminate tariff and nontariff barriers to our products. The pending 12-nation TPP would do just that, opening or expanding markets that include nearly a half billion consumers and 40 percent of the world's gross domestic product. TPP is the biggest commercial opportunity ever for the U.S. pork industry, and NPPC strongly supports its passage and implementation.

Iowa State University economist Dermot Hayes estimates that U.S. pork exports to our 11 TPP partners would increase exponentially and help create more than 10,000 U.S. jobs. A couple of other points on TPP. First, the agreement has become the de facto global trade vehicle and other countries in the region are already lining up to get into it. Secondly, and more importantly, because other Asia-Pacific trade agreements are being negotiated without the United States, we cannot afford, either economically or geopolitically, to walk away from the fastest growing region in the world.

If we do turn our backs on that region, two things will happen. Some other country, such as China, which is now leading the talks for the 16-nation regional comprehensive economic partnership, they will write the rules for global trade. And the United States not only won't realize the benefits of TPP, it will lose market share in those 11 countries as other nations negotiate free trade agreements with them.

Congress must pass TPP and it must do so soon. Because TPP would become the global trade agreement, it would set the new rules of trade and the bar for future trade agreements. That is important, given that we are now in talks with the European Union on free trade agreements.

TTIP, which would open a market of about 508 million consumers to our products. The 28-member EU is the second largest pork consuming market in the world. Obviously, China number one. But U.S. pork sales to the EU are lower than they are to the smallest of countries, such as Honduras. EU tariff and nontariff barriers have limited U.S. pork exports to one-twentieth of 1 percent of the EU pork consumption.

Assuming the EU barriers to the U.S. pork we want eliminated through TTIP negotiations are tariff rate quotas, costly and unnecessary trichinea risk mitigation requirements, and a ban on pathogen reduction treatments that produce a safer product for consumers. Iowa State's Dermot Hayes estimates that the increase in U.S. pork exports that would be generated by a TTIP agreement that eliminates all tariff and nontariff barriers would create nearly 18,000 new jobs in the United States.

U.S. pork producers' support for a final TTIP agreement is conditioned on the elimination of all tariff and nontariff barriers to U.S. pork exports to the EU, an outcome achieved in every other U.S. free trade agreement. TTIP should be no different.

Finally, I would like to thank the members of this committee, the entire Congress, and USTR for the recent efforts to get U.S. pork into the South African market, which until this year had banned our product through nonscience-based restrictions.

Thank you for this opportunity to tell you how free trade works for the U.S. pork industry. And I will be happy to answer any questions.

Chairman Reichert. Thank you, Mr. Weber.

Mr. Foreman, you are recognized for 5 minutes.

STATEMENT OF DALE FOREMAN, CHAIRMAN, FOREMAN FRUIT COMPANY

Mr. Foreman. Thank you, Mr. Chairman. We appreciate the opportunity to be here. Chairman Reichert and Mr. Ranking Member Rangel, thank you very much for your interest in this most important topic.

My wife Gail and I have been fruit farmers in Wenatchee, Washington, for over 30 years. Our three children and their spouses have now returned home to help us expand the business. I am

also the past chairman of both the Washington Apple Commission and the USApple Association. I have had the opportunity to travel to over 25 countries throughout my career to promote the sale of American tree fruit, including New York apples, Vermont apples, Virginia apples, Minnesota apples, Michigan apples, and Washington, Oregon, Idaho, and California apples.

Pacific Northwest is home to family-owned orchards that provide approximately 66 percent of apples, 75 percent of the pears, and 80 percent of the sweet cherries grown in the United States. Export markets are critical to the success of the tree fruit industry. Approximately one-third of our crop, that is over \$1 billion, is sold through export markets every year.

Korea's 24 percent tariff on sweet cherries was eliminated in 2012 through the U.S.-Korea free trade agreement. Cherry exports nearly doubled in the next year and have continued to grow exponentially, making it the third largest cherry market this year.

Some countries, many with tree fruit industries of their own, impose sanitary and phytosanitary policies that they purport to address human health or plant pest or disease concerns but which we believe are often just not based on science. They are not based on an accurate risk assessment, and they are actually created to protect their domestic industries from American competition.

While not completely eliminating these type of nontariff barriers, the TPP includes a sanitary/phytosanitary chapter that encourages participating countries to conduct risk assessments and base their policies on the best available science. This chapter also requires participating countries to make available an appeals process that allows for a timely response by the importing country when a shipper disputes the rejection of a shipment on arrival. This has happened to me. It is expensive, it is painful. We need an appeals process that is timely.

The TPP eliminates the 10 percent tariff on apples, pears, and cherries in the growing market of Vietnam. And the Asia-Pacific region that this agreement covers is one of the most commercially important areas in the world for tree fruit. It is one of the fastest growing.

By enhancing our trade relationships with these countries, the TPP would improve the platform to address bilateral disagreements, including SPS issues, and raise the rule of law standards for trade policies in other countries throughout the region. For these reasons, the Northwest Horticultural Council that represents the Pacific Northwest tree fruit industry on international trade issues has adopted a position in support of the TPP and encourages Congress to move forward with approving this agreement.

I am also in favor of selling apples and pears and cherries to Cuba, Mr. Rangel.

Many previous trade agreements adopted by the United States have benefited tree fruit growers, and I am certainly supportive, in general, of our government pursuing new agreements that are fair, expanding free trade opportunities. However, I would like to highlight a concern about the TTIP that is currently being negotiated with the European Union.

While the EU used to be an important market for U.S. apples and pears, a hazard-based principle approach to the regulation of crop protection tools and food additive tolerances has caused our tree fruit exports to plummet. In spite of the significant increase in crop size, our apple exports to the EU have gone down from 1.1 million boxes in 2001 to only 151,000 boxes this year. Pear exports, and I am a large pear grower, have reduced from 574,000 boxes to little more than 9,000 boxes in the same period. I am skeptical that TTIP will bring about the drastic change to the EU's restrictive regulatory framework necessary to make Europe a viable export market.

At the same time, they are considering allowing Poland, which is the second largest apple grower in the world, to import their apples into the United States without a proper pest risk assessment. That is a very bad bargain. And we would ask you to concern yourselves with the fairness of the TTIP negotiations as they go forward.

I see my time is up. I want to thank you very much for the opportunity to be here today.

Chairman Reichert. Thank you, Mr. Foreman.

Ms. McClung, you are recognized for 5 minutes.

STATEMENT OF HEATHER McCLUNG, CO-OWNER, SCHOONER EXACT BREWING COMPANY; PRESIDENT, WASHINGTON BREWERS GUILD

Ms. McClung. Thank you. Chairman Reichert, Ranking Member Rangel, and the members of the subcommittee, thank you for the opportunity to testify.

My name is Heather McClung, and I am an independent craft brewer. I am here to lend the perspective of a manufacturer whose relationships with their agricultural partners are vitally important to our own success. I will testify as to how exporting beer benefits, not only urban and rural breweries and their communities, but also the hop and multigrain industries.

Schooner EXACT is a relatively small producer in Washington State. We began in 2007 as a side project to our day jobs as educators. Schooner has grown from brewing on a half-barrel system with zero employees to a 20-barrel system and 25 employees. Today, we run a brewery restaurant and distribute kegs and packaged product throughout Washington, Oregon, and Japan.

Washington State has the second highest number of breweries in the Nation with over 300 breweries. I have had the pleasure of serving as the Washington Brewers Guild president for three terms, steering the guild through threatening times, and advancing State and Federal policy and legislation, such as the Craft Beverage Modernization and Tax Reform Act, favorable to brewers of all shapes and sizes as well as our agricultural partners.

Beer is only as good as its ingredients. Hop varietal development increasingly allows world beer consumers to have the opportunity to taste the creativity and diversity of American agriculture. The hop industry's innovation is being exported as raw ingredients, as well as in its final form, beer.

The American beer industry as a whole supports 1.75 million jobs, pays wages and benefits approaching \$7.9 billion, and generates more than \$200 billion in economic impact. Exports continue to contribute to the overall industry growth. Annual U.S. beer exports have seen an average growth rate of 14.3 percent over the last 5 years.

Within this larger number, craft brewing has experienced an average growth rate of 31 percent since the inception of the Brewers Association Export Development Program, the EDP. The EDP receives funding from the BA, small independent brewery members, and the USDA Market Access Program. The EDP uses MAP funds to examine potential target markets for the U.S. craft beer exporters, participate in trade shows, conferences and competitions, as well as conduct seminars and prepare technical materials about craft brewing and product quality.

Schooner EXACT is a perfect example of how a small craft brewery can benefit from the EDP. The resources, networking, and competition opportunities are invaluable to a craft brewer. Our first event with the EDP was the American Craft Beer Experience, a two-day event in Tokyo and Osaka, Japan. Over 4,000 attendees sampled beer produced by U.S. craft brewers.

In Osaka, the EDP assisted with a seminar educating retailers and the media on maintaining beer quality through proper storage and serving conditions. After our visit, Schooner's sales climbed 29 percent. We are planning another Japan trip this year.

Our participation in the EDP has also allowed us to enter international competitions. One such competition was the Brussels Beer Challenge where Schooner EXACT won a gold medal for Hopvine IPA and overall best in show against 1,100 international entries. Though our export volume is relatively small, it is an important segment to our business, providing another sales channel in an increasingly competitive U.S. marketplace.

Schooner EXACT has been relatively lucky to not encounter many obstacles to export activities. However, the EU's push for protecting beer styles, such as Kolsch and Oktoberfest, are worrisome. The beer industry appreciates any efforts that ensures that geographic indicator protections do not invalidate existing trademarks while granting users the ability to continue to use common names. Quality beer is not possible without quality ingredients. Craft brewers have higher hop and malt usage rates than their competitors, a direct benefit to the American agricultural producers.

By implementing governmental policy favorable to the hop and barley industries, it ensures that the growing craft segment will have access to stable sources of ingredients from which to create a truly American beverage for domestic and international markets.

Lastly, the USDA export assistant programs available to the agricultural community are relied upon and much needed. Congress can continue to expand U.S. trade and exports by reauthorizing and expanding upon those programs.

After our success in the Japanese market, Schooner is eager to investigate new export markets for our beer. Hopefully the USDA, MAP, BA, as well as stable American grain and hop industries will all be along for the ride.

Thank you for the opportunity to appear before your committee.

Chairman Reichert. Thank you.

Thank you all for your testimony. I think it is one of the few hearings I have been to where everybody was on 5 minutes, so congratulations.

It is the beer. Must be the beer. You had some beer and wine and cheese beforehand.

So thank you for also agreeing to stay a few minutes and allowing each member to ask some questions.

So I want to start with, of course, Mr. Foreman and then go to Ms. McClung. Shocker I should focus on two Washington State witnesses.

But, Mr. Foreman, you, I think, laid out the statistics for your industry as far as growth when it comes to trade, especially in the areas of fruits and also in vegetables. I think sometimes that area of our economy is overlooked. Exports of fruits and vegetables have approximately doubled over the past 20 years. But there are some foreign barriers that you touched on, and they are holding back fruit and vegetable exports from growing even more.

Besides high tariffs, I know firsthand about many of the protectionist nontariff barriers that countries put up against our exports. For example, Indonesia suddenly threw up a number of barriers against horticultural exports, which particularly hurt many Washington State growers. And I am glad that the U.S. is making some progress on that and taking action.

But, Mr. Foreman, could you please describe how important exports are to Washington State fruit growers and what the opportunities are for fruit growers in the future for growth?

Mr. Foreman. Thank you, Mr. Chairman. There are -- 95 percent of the 7 billion people in the world live overseas. To a large extent, they live in Asia. There is a huge emerging middle class coming in Asia who want good quality food. They want the better things of life, and part of that is fresh fruit.

We think that there will be 2.7 billion middle class consumers in Asia by 2030. That is six times what the United States market is projected at that point in time. So we have a huge opportunity to raise high quality agricultural products and ship them to a world that will be hungry and demanding more. But there are terrible barriers.

You mentioned the Indonesia barrier, which you have been instrumental in helping us work on, and I appreciate that very much. But Japan requires a 55-day cold treatment and methyl bromide fumigation prior to shipping. Now, what that really does is it closes out the market because they want to protect Japanese apple growers from competition.

I have been to India. I was in India in the big market in New Delhi where there was Chinese Fuji apples side by side with Washington Fuji apples. Our Fuji apples cost twice as much per box. But the buyers wanted our Fuji apples, not Chinese apples. Why is that? Because of the terrible pollution in the air and the soil and the water of China. People in India are smart. They don't want to buy apples that have been irrigated with heavy water, with polluted water. They want Washington State, Oregon, California, fresh, clean water and minimal fertilized apples.

We grow a lot of organic fruit. There are people in the world who have regulations to exclude our organic fruit on trumped-up reasons because they can't compete organically with the orchards that we have.

You helped us gain full access to all our varieties to China last year. It has made a huge improvement. We have sold 1.1 million boxes to China so far this year. But now India has tried to restrict our apples to entry by only one port. And the USTR and the USDA, the Department of State, and the Department of Congress all went to bat for the apple industry to work with India to try to open up that regulation.

So my point is, it is an ongoing battle between success and barriers. And we need your support and we appreciate your support in opening up the barriers as they continually, through protectionist policies, erect new barriers.

Mr. Foreman. And we need to be vigilant to have both free and fair trade for our products.

Chairman Reichert. Thank you for your answer. You flowed right into the second part of my question, so I won't even ask it. It was on barriers.

But I want to move to Ms. McClung quickly. Agricultural exports are not limited to what is grown, as I said in my opening statement, raised, and harvested in America. Just as important are exports of products made from what farms produce. And with 300 breweries in Washington State and the innovation that I have seen, out of the 300, I just want to confess, I have only visited about four so far. So I have not been to all 300 yet, but I have had the opportunity to taste, I don't know if anyone in this room has, but Chocolate Cake beer. So that is just one of the -- Chocolate Cake beer. I know. It sounds delicious, and it is. I just had a sip.

But I think you laid out all of the statistics very clearly. But tell us, maybe in a little more detail, why small breweries like yours decide to export and how exports to Japan have helped grow your business. And if you have time, maybe follow up with describe some of the barriers. You said there were not many barriers. But what do you see as, you know, as high tariffs or burdensome regulations, red tape, that sort of thing?

Ms. McClung. Thank you, Chairman. When the opportunity to export to Japan came about, we felt compelled to take advantage of that. At the point -- that point in time, we had some extra capacity in our brewing production, and so meeting that inventory volume was an easy thing to achieve. It is definitely important to diversify one's revenue stream and the export markets provides that ability to do so.

Labeling can be a little bit of a challenge for breweries. The amount of packaged product needed to order in advance can be burdensome on one's cash flow. The brewing industry, in general, is a very capital intensive industry, and that can be mitigated through the SBA export assistance programs as well as the Import-Export Bank. And one excellent way to help invigorate small breweries would be with the excise tax reduction measure, the H.R. 2903. And that would really enable small breweries to be able to reinvest in that additional packaging or brewing equipment needed to fulfill their volumes for the export.

Chairman Reichert. Thank you for your answer.

Mr. Rangel, you are recognized.

Mr. Rangel. Thank you again, Mr. Chairman, for calling this hearing. And I thank the witnesses for sharing with us the positive contributions that the agriculture community is making to our great country. Not many Americans are aware of the improvement of the quality of life as a result of your successful efforts.

So when you go back home, I am pretty confident that when they ask you, how did Congress receive your testimony, that you should be comfortable in saying it was very, very well received. They may ask you: What do you think they are going to do about TPP? And I don't think any of you are going to say that you think it is going to pass before this election.

Is there anyone here that thinks TPP is going to be on the President's desk before the election?

So let's see where I can help you. One of the reasons why we don't have the votes for TPP, that there is a general feeling that with these trade bills there is a loss of jobs. And I don't think any of you can deny that, with an effective trade policy, that you are going to have to improve our infrastructure in order to be successful. We have got to have better seaports, better airports, better roads and whatnot. And, of course, if that was included in a bill like this, or part of a package, which I am certain that you would agree would be important in the long run, I think people might take another look at TPP.

Another thing is that technology has to be a part of your successes. No matter how good you are or where you come from, you are competing with international forces, and your workforce must reflect that. And so if you had a good agreement and you still didn't have a workforce that was able to compete, here again, there are a lot of communities that believe if technology and education was a part of this overall package for the progress of America in the future, that they would take a look at it.

Is there anyone that disagrees that we need this in order to be successful in our trade; infrastructure, technology?

Another thing is that I can't find out any reason in the world why any of you would not want restrictions removed from exports to Cuba. You go into any Cuban restaurant and the menu is rice, beans, pork, and chicken. If that is not the U.S., I don't know what it is. And here again, for political reasons, which has nothing to do with improvement of our trade and exports, we don't

have the slightest clue as to why the farmers and those people are doing so well cannot do even better in improving the quality of life for farmers and the rest of Americans.

Is there anyone here prepared to comment in any way before you leave as to what you can do to improve the climate here in Congress to review some of the issues that I have raised?

Mr. Mooney.

Mr. Mooney. Yeah, Congressman, the one thing that I know is dairy would benefit if we had a trade agreement where we could sell to Cuba. There is no doubt about that. We produce fluid milk, long shelf life milk that I know would be well --

Mr. Rangel. Who is your Congressman?

Mr. Mooney. Pardon?

Mr. Rangel. Who is your Congressman?

Mr. Mooney. My Congressman is Billy Long, southwest Missouri.

Mr. Rangel. Does he support your position?

Mr. Mooney. Yes, he does. He has been down there.

Mr. Rangel. Okay. Anybody else have any comments? Because we are talking about votes.

Mr. Paap.

Mr. Paap. You know, when I harvest our crops here in about 4 months, 4 of those 12 rows are exported. Forty percent is leaving the country. Transportation is very important to agriculture. It is key to trade.

As you talk specifically about Cuba, you know, why would the United States, where we grow more than we can use, why would we not take advantage of a market just 90 miles away? We have the transportation advantage.

Mr. Rangel. Who is your Congressman?

Mr. Paap. Congressman Walz.

Mr. Rangel. Does he support you?

Mr. Paap. Congressman Walz has been very good on trade issues and the importance to have a market for those more than we can grow.

Mr. Rangel. Well, all of you can make a difference, perhaps not before this election, assuming we will have a country left, but certainly after the election we all have homework to do. And I wanted to tell you how much I appreciated the expertise which you have brought before this committee. Thank you for your commitment.

Chairman Reichert. Thank you, Mr. Rangel.

Mr. Nunes, you are recognized.

Mr. Nunes. Thank you, Mr. Chairman. And I just want to say briefly that Mr. Rangel and I have had this discussion many times. But clearly the issue of Cuba is quite complicated, largely because of the support of terrorism by the Castro regime. A lot of history here. I am sure that Mr. Rangel will argue that it hasn't worked and, you know, this continues to be a debate before Congress. But I think it just should be stated, for the record, that the Castro regime has blood of Americans on its hand and continues to do so. And I think that is the big concern is with the Castro brothers being in charge in Cuba there. We, obviously, would like to sell agriculture products to the Cuban people and we would like to see the Cuban people live in a free democracy.

I want to go into -- give Mr. Mooney an opportunity to talk about -- could you talk about specifically the pros of where we will be able to export dairy products into and then maybe some of the areas that you would like to see improved with TPP?

Mr. Mooney. Okay. And TPP, when you did the -- when we did the final analysis, it was positive for us as far as exports. We are getting more exports into Japan. Presumably, more exports into Canada, which will help us. New Zealand is getting more exports into the United States. But on balance, we think we are in a good shape.

The two big benefits that we saw, and you was very much helpful in this, Congressman Nunes, was SPS rules and GI rules. Because with the SPS rules, you know, countries could change their policies it seems like overnight. And what you have done, I think, it is all about process. It is more time, more notification, more risk assessment, more penalties for countries that don't abide by the agreements. So that was a major issue for us in TPP was the SPS rules and the GIs. But there was also other countries there in TPP that we can export to.

And if you look at how our exports have grown, in 2000, we exported 5 percent of the U.S. dairy products. Today, we are exporting 15 percent. One day out of every week is for exports.

And to Congressman Rangel's point on technology, there is plants being built in the U.S today that is having the most up-to-date technology there is on whey proteins and stuff. Twenty years ago, whey was something we put down the drain. Today, whey is the most important part of milk, really, for infant formula and a lot of things like that. So technology is great, and I think the dairy industry is leading that in technology and dairy.

Mr. Nunes. Thank you, Mr. Mooney.

Mr. Weber, I will give you the same question. What are the markets that you are most interested in and then where could we see some improvements?

Mr. Weber. Yes. Well, obviously, again, I will make a comment on Cuba. I think, you know, our organization is a protrade organization and we are willing to participate in whatever markets would come about. Our resources are being focused on TPP. Access into these countries is just -- it is imperative for our industry. These are pork-consuming people. Their economic development and economic growth potential is huge. We want to be a part of that market. So that is why we are spending our efforts on TPP.

Again, many of the issues we talked about today, the phytosanitary issues and stuff were clearly addressed. The food safety issues were clearly addressed in the TPP negotiations, and we are very optimistic about that. Very helpful. There could be some implementation issues that we are, you know, concerned about. But we are going to focus on getting TPP passed and we are going to monitor, as we always do, as we have done in the other previous free trade agreements, how these agreements are implemented and do the countries in fact live up to the agreements as we move forward.

Mr. Nunes. Well, thank you. I want to thank the panelists for being here.

And, Mr. Chairman, I will just say that it is critical that we pass TPP largely because I think some of the witnesses said it today, but this really sets the rules of trade for the future. I think the WTO is really outdated, and this really will be the standard agreement that we can then build the EU agreement of off and hopefully will fix some of the problems that we see in the WTO. So I want to thank all of you for being here today. And I yield back my time.

Chairman Reichert. Thank you, Mr. Nunes.

Mr. Smith, you are recognized.

Mr. Smith. Thank you, Mr. Chairman. And thank you to our witnesses today for sharing your perspective. Certainly, I don't have to tell you that Nebraska is a big ag producer, and certainly with the TPP outlook over the next 16 or so years with \$10 billion in increased output, that, I think, shows a lot of promise. I hope that we can have a forward-thinking view of trade in general. And certainly, the benefits that TPP can bring U.S. agriculture, not just Nebraska agriculture, but U.S., whether it is California or Kansas, on each side of me literally and figuratively.

The fact of the matter is, I think we have got a bright future for agriculture as it relates to trade. However, I am concerned about, for example, the Chinese delays in recognizing biotechnology and that -- the impact that that actually has on producers themselves.

Mr. Paap, could you discuss the negative impacts of China's delays in improving biotechnology products and how effective has the U.S. Government been in addressing this problem?

Mr. Paap. Well, certainly, in the last 36 crops that we have planted on our farm, biotechnology is one of those things that really adds to our farm. You know, we can raise more crop on less land with less water, less soil tillage, fewer crop protection products. We like to say we get more crop per drop using biotechnology. And certainly, China needs to expedite their approval process to biotechnology.

The dialogue has resulted in a commitment by China to have products approved in a timely manner. It is not that timely. We need to speed up the process. Having access to those markets with biotechnology is so important.

Mr. Smith. And can you speak to how the U.S. Government has handled this?

Mr. Paap. Well, certainly, we are working not only with USDA but USTR on ways to improve the process. But, you know, there is ways to slow down trade besides, you know, the tariffs, those taxes at the border, and that is the things like biotechnology and those types, SPS.

Mr. Smith. Okay. Now, we talk about scientific basis for biotechnology and various regulations, perhaps. But let's now shift gears just a little bit to the unscientific regulations, such as Vermont's labeling law and our ability to convince, perhaps, the EU to change course on some of their biotechnology regulations and views.

Can you discuss perhaps how the Vermont law might be impacting the marketplace or certainly for producers themselves?

Mr. Paap. Well, certainly from the American Farm Bureau perspective, labeling is very important. We want to protect the sanctity of the label, believe the label is for things like nutritional differences, allergens, things like that. The label is not a marketing tool. We should talk more about the food and what is in the food or not in the food versus how it was produced as far as a production method and things like that.

We certainly have a concern with a patchwork of different State labels and support a national labeling standard.

Mr. Smith. Okay. Shifting gears just a bit, we have got the U.K. is set to hold the referendum on the so-called Brexit on June 23. And if the U.K. were to leave the EU, they would be left out of TTIP, and our administration has indicated they are not interested in pursuing a bilateral agreement. The U.K. has also taken a more scientific approach to the regulations of certain pesticides and biotechnology, as well, than perhaps the rest of the continent.

Can you expand on perhaps the impacts Brexit would have on U.S. agriculture exports?

Mr. Paap. Exports are so important to our prices on the farm. Farm prices are based on supply and demand. Certainly, supply is mostly the weather. Hard to control the weather. But we certainly can control or we can increase that demand and by increasing international trade.

So whether it is with countries in the Asia Pacific, whether it is European Union, whether it is Cuba, it is important. It has already been mentioned, 96 percent of the people in this world of our customers for our U.S. food do not live in the United States.

So from a Farm Bureau perspective, we certainly want to have trade, international trade, with anyone and everyone that is willing to work with us.

Mr. Smith. Thank you. I yield back.

Chairman Reichert. Mr. Neal.

Mr. Neal. Thank you, Mr. Chairman.

Thanks to the panelists. I thought the testimony was superb.

I think the limit everybody would acknowledge is that you have all got a great story to tell, and the textbook analysis of trade, which up until a point was very bipartisan here, indicated that much of what you are saying is entirely accurate.

Now, at the same time, you can see where our Nordic friends have begun to oppose science in terms of New England lobsters, you can see that the French farmer demands a certain level of subsidy, that the Italians question what really constitutes, as Mr. Mooney pointed out, parmesan cheese. Overcapacity in China right now means that they are dumping steel across America. And the American people, for a variety of reasons, have now begun a slow but steady metamorphosis on their support of free trade.

And so I would leave it to the panelists to tell me how you think that we could do a better job of selling many of these agreements beyond the regional advantages that each Member of Congress gets.

The example that comes to mind for me would be the Panamanian FTA, which means that the Port of Boston is about to do quite well. It is being deepened as we speak, and those new tankers that are coming through the canal are going to find a very nice home in Boston.

And the problem is, as one who has been pretty supportive of what you have pointed out, that I find that now, unless a specific geography of the country benefits, it is harder to put together the consensus based upon the arguments that you have all made about advancing trade.

Now, the latest example would be, I suspect, that TPP would have a much easier path if we could have left out Vietnam. You see the example that I am raising? But the problem with multilateral agreements is it becomes very hard to leave out anybody.

So I would be very interested as to how you might respond.

Mr. Weber. I followed you a long ways there, but I am not sure exactly, Congressman, where your question was going. It is our understanding that these countries will have an opportunity at some point down the road to participate in TPP if it is passed.

Mr. Neal. Let me just qualify that, Mr. Weber. My suggestion is that you would find the agricultural States, by and large, to be pretty supportive of free trade.

Mr. Weber. Absolutely.

Mr. Neal. I think there is general agreement on that. I understand why. At the same time, those States that have a preponderance of manufacturing would question the validity of, actually, I think the enforcement of some of the trade agreements. So maybe you could take it from there.

Mr. Weber. I guess my response to that is often these arguments are about jobs, manufacturing jobs, and we went through those statistics before. Employment peaked way before free trade agreements came about, has declined significantly because of technology.

I think my point would be that in free trade agreements it is about competition. To me, it is. It is about competition. And you have to be willing to compete. The statistic alone that sticks out to me is that 95 percent of our global populations outside of this country, are you afraid to compete with them in whatever sector it is, whether it is producing pork, like I do, or whether it is manufacturing?

I think you have to look closely and analyze your business and just decide whether you are willing to compete and look at what caused the changes if you can't compete with another country, what are the reasons. And, obviously, technology has been a huge driver in the last decade for becoming more efficient, both in this country and abroad.

Mr. Neal. To your point, though, and I understand the argument you are making, but if the head of the automobile industry were sitting in those seats right now, capitalists all, believers in competition, they would object to the manner in which Japanese automobiles flooded America, in which the Japanese simultaneously closed their markets to the American automobile or made it much harder. And remind ourselves that the FTA with Korea, that the UAW actually supported the Korea Free Trade Agreement and now they are having trouble, based on the arguments they previously made, trying to figure out how we are going to export automobiles to Korea because it hasn't quite gone the way that we had intended.

And I thank the panelists, Mr. Chairman. Thank you.

Chairman Reichert. Thank you.

Dr. Boustany.

Mr. Boustany. Thank you, Mr. Chairman.

And I want to thank our witnesses, as well, for being here today and providing testimony.

I want to take a step back for just a moment. Consider that the United States created the modern global trading system after World War II. We have led that effort, and of course there are continued problems and so forth with market access as we go forward, and for the longest time, we were at a standstill. And I do believe getting trade promotion authority passed was a vital step, a catalyst to having a real coherent foreign economic policy for our country. And I do firmly believe that the United States should continue to lead in opening markets around the world and lead this global trading system.

Clearly, it is in our interest to have a growing economy. It is necessary, if we are going to see growth going back to 3.5 or 4 percent, to open up these markets for American producers, American manufacturers. Higher wages, more jobs, it is good for us. But I also believe that we should not cede any market to any country as we go forward. We should try to lead in all these markets in knocking down tariff and nontariff barriers.

I do believe TPP is a good step in the right direction. We are still trying to work through some technical issues, but I do believe at the end of the day TPP is going to be the model for what the future trading system looks like, and it is certainly, on balance, a good agreement for agriculture as a whole. But I do believe we could also do better, as well.

My State, Louisiana, is an exporting State. Agricultural exports are a dominant part of it. In fact, 25 percent of our State's economy depends on exports, and these are good-paying jobs. We have ports, with the Port of New Orleans, Lake Charles, and so forth, that position us to do very well in the global trading system.

A couple of questions. One, I am concerned about our position with Cuba. We are losing market share, agricultural market share with Cuba. And, in fact, U.S. exporters used to rank first in terms of providing agricultural goods into Cuba, and we have now fallen to number four. Rice, in my State, we are the third largest rice-producing State, we have lost market share pretty significantly to the EU, to Brazil, to Argentina, and other countries.

I do believe that the shift in 2000, the year 2000, which put prohibitions on credit transactions is a factor in that. And we can argue all day long about Cuba and opening trade agreements, but I do believe a simple step would be to allow for credit-based transactions. I think we would start to regain some of that market share.

So I am curious to get your opinion on that issue, and then I have another follow-up question.

Mr. Mooney. Well, one thing I would say real quickly is Cuba, again, the United States ought to own that market as far as agriculture goes. I mean, we are so close, we ought to own it.

Mr. Boustany. I agree.

Mr. Mooney. Going back to TPP, your comments on TPP and other countries, we should want to export to every country, I believe, because we are the most productive country in the world. From a dairy standpoint, we have the most nutritious product and the safest product

around the world. Nobody can compete any better than we can, and we can do it on a cost basis also.

The thing we have got to watch out for is these Johnny Come Latelies that come to the table late. Canada is an example. They were late signing up for TPP, and now they are already throwing things, that they are not wanting to follow the rules.

Mr. Boustany. Right.

Mr. Mooney. And I know this committee is overseeing making sure the rules are abided by, but that is what we have got to do to every one of these countries, make sure they abide by the rules or some of this is worthless.

Mr. Boustany. Well, I think with TPP we have to get this right because this is going to be the standard, and so we will work with you on that.

Mr. Paap, rice, I want to talk a little bit about the Farm Bureau position with regard to rice and rice market access. You know, when we did South Korea, rice was really not part of that agreement and my rice producers were not happy about it. TPP, we have gotten some market access now into Japan. I would have liked to have seen more. Hopefully this is a starting point.

What is the Farm Bureau position with regard to rice access and the way TPP will play out?

Mr. Paap. Well, certainly in American Farm Bureau we represent all of agriculture, all the commodities. In 2015 rice exports were nearly 4 million metric tons with an export value of over \$2 billion. This was the second largest volume in the last decade.

One of the issues is Japan, as you mentioned, is very protective of their rice producers, kind of isolating them from that competition, very high tariffs. Despite that, U.S. producers shipped more than 320,000 metric tons of rice to Japan in 2015. They came via the WTO commitment.

We believe that the rice producers, U.S. rice producers, will have the opportunity to capitalize on a U.S.-specific TRQ of up to 70,000 tons with the TPP. We are still going to face some more competition with Mexico, as Vietnamese rice exports will have those lower tariffs. But we want to make sure we can do everything we can, that whether you are a rice producer, a corn producer, a cattle or dairy, whatever the products are of U.S. agriculture, that we are at the table and have that ability to provide our products.

Mr. Boustany. Thank you. My time has expired.

Thank you, Mr. Chairman.

Chairman Reichert. Mr. Paulsen.

Mr. Paulsen. Thank you, Mr. Chairman, for having a good host of folks testifying on agriculture in particular, and it is pretty clear it is important to our economy.

And Minnesota, as Mr. Paap had mentioned, we are a leader in a number of different areas. Second largest exporter of pork, fourth largest exporter of soy beans, and the fourth largest exporter of corn.

And, Mr. Paap, as president of the Farm Bureau, you know these statistics, you have shared them already. And you mentioned the 4 rows, the 40 percent, 4 rows out of every 10 that you are planting that are being exported. And a big part of this is taking pride in our farmers' accomplishments and ranchers' accomplishments of the direction we are going, but also continue to look for new opportunities and additional opportunities of what trade is all about and selling overseas.

Mr. Paap, just expand a little bit. What are the most important opportunities that are now on the horizon? You talked a little bit about the nontariff barriers. You mentioned biotechnology, having science-based food safety standards. Any other examples of nontariff barriers that prevent us from maximizing our opportunity to export and help our farmers here at home?

Mr. Paap. Well, certainly, in Minnesota we are very proud of the over 2.3 billion in ag products that we export. And those exports are important. TPP will be important to our animal agriculture.

I think one of the things that we sometimes forget about -- yes, animal agriculture will be probably a bigger winner than other parts in trade, but just because we don't export the corn and soy beans we grow here, we can use those corn and soy beans, those go into the livestock as animal feed.

And one of the things that we can do, that is that adding value, that adding jobs in our local community that is so important. And it also is important for generational sustainability. Animal agriculture many times gives those opportunities for adding people in the farming operation in that family farm.

So we want to make sure that we have got that ability to export specifically to the nontariff. And those are the hard ones. You can see the tariff. You can negotiate that. It is a little harder, whether it is biotechnology, whether it is other nontariff items. That is why we need to have trade agreements, and that is why we need to follow those trade agreements.

Mr. Paulsen. Ms. McClung, let me just touch base with you, because I am a member of the Small Brewers Caucus. I am the lead author of the bill that you mentioned, the Craft Beverage Modernization Act. I am familiar with the challenges that you face on a daily basis as a small brewer and the folks that you represent there in Washington State, and you have an impressive story.

I think it is also helpful for this subcommittee to understand how the benefits of agricultural exports that extend beyond just those who grow and raise the products themselves. And can you just talk a little more about how furthering these opportunities for America's small brewers overseas is actually going to help operations expand potentially for you or for the others that you represent in Washington State and the 100 small craft brewers we have now in Minnesota.

Ms. McClung. Excellent. Thank you.

Expanded trade would obviously mean increased sales for our brewery, and that would allow for a diversified revenue stream, which is important in a time of a shifting landscape in the brewing industry with all of the consolidation of the big breweries, as well as the explosion of the new craft breweries coming online. These additional sales would lead to additional employment opportunities for our own community as we are adding staff to help fill those export orders and production of those export items.

And to touch base on the international competitions, for an American beer to take "Best of Show" in Belgium, which is renowned for their beer, just raises the profile of all American craft beer. And so that was a pretty great accomplishment and another testimony to the exporting.

Mr. Paulsen. Wonderful.

And, Mr. Mooney, we are going to run out of time, but I think that one of the biggest barriers, looking at parmesan cheese right there in your basket there, one of the biggest barriers we have is the misuse of these protected geographical indications. And applying these protections in generic terms in establishing them through very unfair and nontransparent procedures is a big problem for U.S. dairy producers.

And could you just discuss maybe the impact of the EU's misuse of GIs on U.S. dairy exports and how that can further threaten the exports in the future? It is something we need to address.

Mr. Mooney. Yeah, and we are part of a consortium for common food names. It is actually trying to do an economic analysis now of what that would actually mean to the dairy industry, and we know it is going to be in the billions, with a B, of the economic impact for dairy in the United States.

And it is interesting, just to relate to this, this parmesan 2 years ago won "Best of the World Class Cheese" in Europe. We no longer can go to the European Union and be part of that contest because we beat them once. That is just a little interesting, I thought.

But, no, this is a big deal. And we are not against GIs. Parmigiano-Reggiano, if it is compound names and geographic areas, that is fine. But when you are using a name parmesan that has been used here for decades, that is ridiculous to me. It will have a large economic impact.

Chairman Reichert. Thank you, Mr. Paulsen.

Mr. Blumenauer.

Mr. Blumenauer. Thank you.

I appreciate several of you referencing the enforcement of trade agreements, and I would just put in a slight plug. One of the things I worked on with Senator Cantwell was a Trade Enforcement Trust Fund, which was a part of our customs approach for the earlier trade legislation.

We have \$15 million dedicated in the House CGS appropriations for the trust fund. There is nothing in the Senate. It would be great if the assembled multitude represented here of all the various agricultural interests that you are connected with could lean in a little bit on that process.

Enforcing trade agreements is expensive, it is time consuming, it is hard. The thought was having a trust fund to make sure that all our agreements were honored would put us in stronger footing, not only to deal with people who are cheating on us, but make it less likely that we would have problems in the future.

So if there is any way to look at that trust fund and to add your collective voices to having the Senate put that money in and that ultimately it is there, I think it might make all our jobs a little bit easier.

Continuing my northwest theme here, we love the friendly rivalry with folks across the Columbia River from us in craft brewing, for instance, cider craft brewing. You are even starting to produce wine in Washington, I understand.

I wondered, Ms. McClung, if you could just elaborate slightly on the specific challenges you face trying to penetrate the Japanese market to be able to go from a small but growing enterprise with an opportunity to expand your economic reach in Japan or elsewhere.

Ms. McClung. Thank you. That is a great question.

One of the challenges that we have encountered is the transport and the storage of our product once it arrives. And so that is why the export development program gave the educational seminar to retailers regarding proper storage. Because it doesn't do American craft beer any good to have our product leave the U.S. in pristine condition and then, once it reaches Japan, the hop flavor and aroma is depleted or it has gone bad due to improper handling. And so just the education side of what do we do with craft beer once it has arrived in a hot, humid climate.

That has been one of our challenges. Otherwise, the Japanese people, we were very warmly welcomed and they have a great excitement for many things American, and craft beer definitely was on the top of their list. There is some competition with their own domestic industry, but our hop profiles, both with Oregon and Washington hops, definitely puts us a step ahead.

Mr. Blumenauer. I appreciate your reference to the infrastructure. In terms of specifics, in terms of tariffs or procedures, I would welcome any feedback if it occurs to you.

Mr. Foreman, you also, I think, represent sort of the other part of the equation, not so much talking about the industrialized modernization of American agriculture, but you are talking about fruits and vegetables, nuts, berries. Some people would call it food, not just the commodities, specialty crops.

Can you speak to the challenges of being able to penetrate foreign markets from your perspective.

Mr. Foreman. It has been very difficult to get into some foreign markets, but the Market Access Program, which Congress has enacted over and over again, has done a great job in opening up some doors. For example, the Oregon and Washington pear growers are represented by the Pear Bureau Northwest and the Northwest Hort Council, and they have spent money on cold chain training and introducing the foreign handlers in Vietnam, in the United Arab Emirates, in India, into how to handle and care for a very perishable commodity, like a Washington or Oregon Anjou pear or a Bosc pear.

These are dessert quality, extraordinarily delicious fruits, but if you put it on a ship and it takes 21 days to cross the Pacific Ocean and it is not properly handled in the cold chain, and then once it gets to the street market in Mumbai or New Delhi nobody knows how to handle it, it becomes worthless fast.

And so the Market Access Program has allowed us, in cooperation with some California citrus products and with some California grape growers, to join forces to train exporters or importers from their side and handlers from the grocery store cold chain down to the street market vendor in how to properly handle a perishable crop.

So there are barriers, there are challenges, but the Market Access Program has consistently, year after year, helped us overcome some of those challenges.

Chairman Reichert. Mr. Marchant.

Mr. Marchant. Thank you, Mr. Chairman.

As the committee knows, anyone who has read much about the trade bill, Texas beef is considered to be one of the big winners in a TPP bill. But it is affected much by the same barriers that the rest of our agriculture is affected by -- tariffs, sanitary, phytosanitary, everything that affects. We have a huge border with Mexico. We deal with that all the time. These barriers are providing really very big impacts on our trade with our current partners, Canada and Mexico.

But many of our row crops are considered to be low-value crops, so they are very dependent on high volume and very, very intensive in pest control, et cetera, et cetera. So the ability of the farmer to get these crops out of the country, this 40 percent, I don't know what percentage of our crops in Texas go overseas, but the profitability really has to do mainly with tariffs.

Mr. Paap, since you are in that crop category, with trade involved in so many of these different agriculture sectors, how can various barrier eliminations best serve my State, Texas?

Mr. Paap. Well, certainly reducing tariffs is important. It is crucial to increase those beef exports. Japan will reduce their 38.5 percent tariff to 9 percent over 15 years. We believe this, along with other export growth into the region, should add about 1 billion to the U.S. beef exports.

You are exactly right, Congressman, beef is the largest agriculture sector in Texas to benefit from TPP, with over 190 million of the 340 million additional exports being for beef. As we look at trade agreements and as we look at different crops, different products, things like that, TPP gives that opportunity for many, certainly some more than others. But when you represent all of agriculture, we always look at trade agreements, what it does for all of agriculture. But certainly beef is an important part and we recognize that.

Mr. Marchant. Thank you very much. Yield back.

Chairman Reichert. Mr. Young.

Mr. Young. Thank you, Mr. Chairman.

Thank you all for your appearance here today.

I am going to focus narrowly on the issue of implementation and enforcement, enforcement in particular. As it has been pointed out here, we can have a very well written, well crafted trade agreement, one that pleases not just our ag producers in a State like mine that is a major ag producer. But if those provisions aren't enforced and predictably enforced, then that creates great challenges.

You have dealt with some of these challenges in a very direct and on-the-ground way. Could you speak to the challenges of implementation? And perhaps you even have some ideas about how we could improve enforcement. One idea that has been baked into this agreement, referenced by one of my colleagues, was the Trade Enforcement Trust Fund.

Are there other things we ought to be looking at, considering, as we try and ensure that the provisions that are important to you are, in fact, strictly enforced?

Mr. Weber, we will start with you, sir.

Mr. Weber. And there are some trade implementation issues that we are very concerned with. They are being worked on. We have been working on them since last October when the trade agreement was announced, had some fears then, and are still working on them. And we are very hopeful that we are making significant progress on some of these issues.

Again, our focus has been on the total benefits of the package to us, and we have had to get the agreement in place, I guess, first.

But part of our role at NPPC is to monitor what we have been talking about here, to monitor if countries live up to those agreements once they are implemented and take place. And we have had significant successes in the past with working with the individual sectors that may be impacted on an implementation issue, and we are going to continue to do that. And we feel that is our best strategy.

We need access into the market, and we will fight for these implementations to the best of our ability prior to getting there. And if the country doesn't live up to them, we will continue that pursuit through whatever means is available to us.

Mr. Young. Well, I know in my home State, our ag sector could benefit immeasurably from consummating this agreement. Projections have the State of Indiana realizing an annual increase of \$80 million in corn and soy revenues, \$50 million increase in net pork exports. We could go on and on.

But I do think there is a linkage, especially outside of the ag sector, when you are dealing with some corners of our manufacturing economy, between faith or trust in enforcement on one hand and the particular provisions on the other. And so hoping we can create more confidence in that area.

Mr. Mooney, you spoke earlier to Canada and your belief, at least, that they have not followed particular rules important to you. Could you speak to that episode, please?

Mr. Mooney. Yeah, in my written testimony there are actually four examples of things that we think that they are not going along with the current agreements that we have or won't go along with TPP. And I think the key is the penalty, what is the penalty for not doing what you are supposed to do, because if there is not a strict enough penalty, the people who want to find loopholes, they will continue to find loopholes.

So I think we have got to have risk assessment, what is the risk, and what is the penalty, and the penalty has got to be great enough to stop what is going on.

Mr. Young. Mr. Paap.

Mr. Paap. Well, American Farm Bureau believes, whether it is in implementation process or an enforcement of anything as we deal with rules, regulations, that the process needs to be transparent. We need to make sure we have got all the stakeholders involved, that everybody is at the table.

And as we look at specific to enforcement, there are concerns with those that are bending or breaking the rules, we want to make sure as we are having those transparent discussions that they are based on rules based, they are science based, and that we follow the rules. That is what life is all about, is we need to set the rules, we need to know how to follow them, and what happens if we choose not to follow those rules.

Mr. Young. As someone who raises children and not grow crops, I understand that indeed.

I yield back.

Chairman Reichert. Thank you, Mr. Young.

Mr. Kelly.

Mr. Kelly. Thank you, Mr. Chairman.

Thank you all for being here.

When we talk about all these market opportunities and then the key becomes, oh, so how accessible are they? And I am from Pennsylvania. Every one of us can talk about what is important to our district and our State because we are all involved in agriculture. Agriculture is Pennsylvania's number one industry.

But in the EU, if we look at a lot of things that are keeping us out of there, it is not transparent, it is unpredictable, EU regulations are there. So I keep hearing about we have these agreements. I really do wonder if there is such a thing as a free trade agreement, because people play with so many different things on it.

And each of you, just to discuss a little bit about what keeps you out of those markets and how much of it is actually factual. Mr. Paap, any of you, because you all face the same problems.

Mr. Foreman. Well, I had a container of organic pears shipped to Rotterdam, and when I was sitting at my desk I got a phone call from the shipper, and he said, your container has been rejected because it has such-and-such a chemical on it. And I said, that is impossible, we don't have that chemical in the State of Washington. And he said, well, they found it on your pears.

So I called my chemical supplier, and I said, do we ever have that chemical? Has it been licensed? Is it available in the State of Washington? He said, no, it is a fraud. It is a lie. They are using you as a scapegoat.

So I had \$100,000 of pears sitting on a dock in Rotterdam. And the shipping agent calls me back and says, well, I can sell them for animal feed for 10 cents on the dollar. It is your choice. You either take them back, pay \$20,000 to ship them back, or dump them for 10 cents on the dollar.

That is a good, real life example of the problems that farmers have when they are dealing with nonrule-based, nontransparent, phony systems.

Mr. Kelly. Yeah. Well, I mean, rather than everybody, because we have such limited time, someone gets so badly gamed on this. I think this is the thing that probably bothers me more than anything else. We talk about free trade, but then we say, so what are you going to do about? You had pears sitting on a dock, and I would just assume that they probably go bad after a while. I know you start with a green banana, it turns to a green and yellow banana, it turns to a yellow banana, then a yellow and brown banana, then a black banana, and then it doesn't become good for anything.

We get so badly gamed in these trade agreements. This is my perception of it, of what should happen in the automobile industry. What would we do about it? Because it comes down to what you just said. So what was the remedial? So what are you going to do, take 10 cents on the pound for it or throw them away?

Mr. Foreman. So we took 10 cents on the dollar. What else can you do? Your question was what rule of law, what systems can a trade agreement put in place to protect farmers and traders, and the answer is something better than we have now.

Mr. Kelly. All right. So that all takes place during negotiations. But I keep hearing about this market that is outside of the United States and I say, yeah, that is fine, if you have access to it. And if you get so badly gamed you can't play in that field?

Mr. Foreman. I haven't sent any pears back there since.

Mr. Kelly. I don't blame you. I don't blame you.

Now, Ms. McClung, first of all, congratulations on your award-winning performance. But each of you do something in addition to what you actually do. Talk about some of the other opportunities that take place in America whenever we do trade and whenever we expand our market, because we have bigger market accessibility. Because you have other people that produce things that help you produce your final product. So whether it is machinery or whatever it is, there are a lot of jobs involved in that, kind of ancillary things that maybe we don't recognize.

Ms. McClung. Definitely. Expanded trade to other markets would also help our allied industries, such as equipment manufacturing, stainless steel, producers of equipment, fermenters, which are also used by our friends in the dairy industry as well, and packaging equipment, and even branding. They all need merchandise support to promote your brand out there, so your T-shirt manufactures are even going to get a bump from it. It is really exponential.

Mr. Kelly. Mr. Weber.

Mr. Weber. For our industry to grow and prosper, trade is absolutely essential. I mean, we basically do have a mature market here in the United States. And I have a young son at home and young herdsman working with me, that TPP is their future. It is their future. It is the growth of the industry. And to us gaining access into these markets will be critically important for the next generation.

Mr. Kelly. So it creates an awful lot of jobs, maybe something we don't look at right off the top, but these are incredibly job-producing products that you put out there. And what I think bothers me is when we are the most attractive market in the world, why did we end up with such lousy trade agreements? I would think if you deal from a position of strength you would have a little more leverage.

And I think when I look at this, I say, what in the world are we doing? We are getting gamed so badly. And we continue to sit back and say, boy, I wish they would play by the rules. Well, if there is no penalty for not playing by the rules, why the heck would they?

And I know you face it every day. And I have got to tell you, we have such an opportunity, but we have got to be stronger. If we are a strong country, we are a strong country, and we have to

make trade agreements that really benefit not only our workers but our entire economy, and we have the ability to do better. Why we don't, I will never understand.

Thank you, Mr. Chairman.

Chairman Reichert. Thank you, Mr. Kelly.

Sometimes we have to help him with the clock.

Nothing. I said, sometimes we have to help you with the clock.

Mr. Kelly. Well, the clock is running out on all our businesses. This is the thing that bothers me. We think it is something about a clock; it is not about a clock. It is about losing our economy, and we are sitting here watching it, and we are wringing our hands and saying what the heck can we do about it.

We are the biggest economy in the world. Everybody wants to participate here. And my question is, if you want to participate, let us participate too. I am so tired of the damn debates over this stuff and we lose market share. I have watched General Motors go from 25 percent of the car market and 30 percent of the truck market -- that was just Chevrolet by the way, not of all General Motors -- General Motors now tries to capture 13 or 14 percent of the market.

We have allowed ourselves to be gamed so badly, we have lost jobs in every segment of our economy because we don't stand strong for the people that we represent.

Sorry to get carried away, but I think we are way past the midnight hour when we talk about these things.

Chairman Reichert. We appreciate your energy, Mr. Kelly.

Ms. Jenkins, you are recognized.

Ms. Jenkins. Thank you, Mr. Chairman.

And thank you for our panelists for being here today.

First, I would just like to say that as a daughter of dairy farmers, I find the EU strategy of using geographical indications to impose barriers to U.S. exports very troubling. I agree with Mr. Mooney, we need to do all that we can to ensure our ag exports are treated fairly.

But my question has to do today with growing wheat exports. Because as you all know, Kansas is the wheat State. We are usually the number one producer of wheat in the country, accounting for almost one-fifth of the country's production. In fact, as we speak, farmers across Kansas are hard at work harvesting this year's wheat crop.

Historically, almost 50 percent of the wheat grown in Kansas is exported. Kansas farmers have been shipping wheat to Central America, Sub-Saharan Africa, and the Middle East for decades. However, this year, wheat exports are expected to hit a historic low, a 40-year low, in fact, and profitability is on the decline. As a result, planted wheat acres in Kansas are at their third lowest level since World War I.

So my question, maybe for Mr. Paap. With wheat as one of the most trade-dependent crops we grow in the United States, what can we be doing on the trade front to help increase profitability of our wheat and raise the price of wheat for our Kansas farmers?

Mr. Paap. Well, certainly wheat is dependent on those exports. Our U.S. wheat producers, they are under pressure. Exports are under pressure. Competition, but also the higher dollar is a concern. Provisions in the trade agreements that lower tariffs such as TPP will hopefully increase the opportunities for even more wheat exports. Wheat is expected to make gains in sales to Vietnam and maintain our position as the number one source of wheat in Japan. Better tariff treatment will certainly make the U.S. more competitive with the Australian wheat.

So certainly we recognize that, we understand the importance of export to wheat and the other markets, and the way we do that is with rules-based trading and opening those opportunities.

Ms. Jenkins. Thank you, Mr. Chairman. I will yield back.

Chairman Reichert. Mrs. Noem.

Mrs. Noem. Thank you, Mr. Chairman. Thank you for holding this hearing today.

I am a South Dakota farmer and rancher, so it is what I have done my entire life. After my dad was killed in a farm accident at the age of 49, I spent almost 20 years farming with my two brothers and my sister in a partnership. So this is an important issue for me, and I recognize that 95 percent of the world's consumers are outside the United States. So it would be foolish for us to sit here and say we don't need trade agreements.

And that is really what frustrates me too about the fact that this has somehow in this Presidential election become controversial. Everybody that has to make a decision on what we are going to eat tomorrow morning should want us to have trade agreements.

For me, when I look at food supply, it is a national security issue. I don't want one or two large corporations or another country growing our food for us because then they control us. That is why we have a farm bill, and I served on the Ag Committee that put together the last farm bill to make sure we had good policy that protected this volatile industry that needs protecting to make sure we have thousands and thousands of farmers out there growing our food supply, and then moved over to the Ways and Means Committee because the next two big issues that are threatening the agriculture industry is trade and tax policy.

And so that is why we are here today. In South Dakota in 2013, 41 percent of our crops were exported. So it is critically important, and I think it is pretty consistent from State to State.

But what frustrates me is this has somehow become a political issue, and I don't really understand that. People say we have lost jobs in this country due to trade. People say we have gained jobs.

What we need to do is look at this and view it as to what kind of opportunities are in front of us. And you come to this committee today and you tell us you guys need to work harder to educate Members of Congress to get them on board, keep your powder dry through the tough political environment, this is something that we need and it is very important to agriculture. And I know that it is.

And every time I go home to South Dakota and talk to people or talk to other Members, I tell them how important trade agreements are in TPP. And I have traveled all over in those countries talking about the trade agreements, how we need them to be fair in a level playing field. So I am heavily invested in this.

Supposedly, the President is, but I haven't seen him working Congress like he should. And if he wants this trade agreement to be done, he needs to engage more.

But what I am going to ask you is, what are you doing as organizations to promote these trade agreements? Because it has to be all hands on deck to really take advantage of these opportunities. So I am working, I am traveling to spread the message, I am fighting for a fair agreement that is good for South Dakota agriculture, but also American agriculture, to take hold of this opportunity.

But could each of you speak to what you are doing as organizations to make sure that Members of Congress vote on this bill, first of all, and get it passed so that we have these opportunities that we can grab.

Listen, any community that you are doing business in is a friendlier community. So where do we need friendly communities? Asia would be a good place to start. If we don't grab this market, China will. And so we want to be there, we want to trade with them, create a friendlier environment so that we control the narrative there.

And I am just curious as to your organizations that you are a part of, what are you doing to motivate people at the grocery store, at church, at the gas station, or even other Members of Congress to how important these trade agreements are to their food supply.

Mr. Mooney. First of all, I would say it is very insightful comments about the security of this country. I also believe it has everything to do with food.

One of the things that we are doing in the dairy industry is we are building new plants. And when you look at the economic driver, you look at the multiplier effect. These communities, these small communities, one in Garden City, Kansas, we are spending \$500 million on a new plant there, and we are going out and talking about the multiplier effect of what those farms generate, and taking that to town, taking it to Kansas City. That message is getting out there.

And I think if we are going to change the attitude of people in Congress that don't understand agriculture, it has got to be talking about a trade agreement that is really about labor. It is not necessarily about trade. It is about labor. It is about putting people to work.

Mrs. Noem. Good.

Mr. Paap. From a Farm Bureau perspective, not only are we doing what we can here nationally, here in Washington, D.C., or in our 50 States and Puerto Rico on a State-wide level, but probably most important with Farm Bureau being a grassroots organization is those 2,800 county or parish farm bureaus. The 78 county farm bureaus we have got in Minnesota is working with our members, talking with our members, and finding out exactly what these trade agreements are and they are not, whether it is with their elected officials in the --

Mrs. Noem. But, you have got parishes and you have got Farm Bureau entities in districts where maybe their representative is not supportive of TPP. Are you motivating them to be educating their Member of Congress?

Mr. Paap. What we are doing is we are trying not to educate as much as we are trying to engage. We are engaging them and doing a lot of listening, because what we are hearing is, well, I have heard this in it or it is going to do that. And what we are doing is we are having those conversations, listening to their concerns, and then getting those answers, helping put the right people, whether it be USTR, USDA, to help answer those questions, to say, well, I heard this is in it. It is not in it. It is available. And that is having those conversations.

And you are exactly right, Congresswoman, we are fortunate to have members in areas that are not a lot of agriculture, but it is still part of this country and part of Minnesota. So having that engagement, those conversations to find out what are the myths, what are the misconceptions, and address those.

Mrs. Noem. Mr. Weber, let me give you 10, 15 seconds. I am out of time, if the chairman will allow.

Chairman Reichert. Yes.

Mrs. Noem. You look like you want to say something.

Mr. Weber. Yeah. I will make just a couple brief comments. I think NPPC has been engaged since day 1 in TPP. Obviously, it was an extremely difficult summer with the candidates, whatever you want to call it, the rhetoric that is used against trade. And certainly it is our hope that that will quiet down and people will come to their senses on trade.

But we have always been a pro-trade organization. It is not hard to go out in the country and talk to our personal pork producers and our constituents about the importance of trade to our organization, to our industry.

And believe me, we will be engaged. We are starting to gear that up right now. We think it is time to engage, not only perhaps the individual candidates that are running for President, but to be involved on demonstrating the importance of free trade to the whole ag sector, not just pork producers, but to the whole ag sector.

So believe me, our organization, I think, stands second to none on being engaged on trade.

Mrs. Noem. Thank you.

Mr. Chairman, yield back.

Chairman Reichert. Thank you, Mrs. Noem.

I thank the witnesses for being here today. Thank you for your testimony. Thank you for being patient with the questions.

We all, as you might have picked up from the conversation, on both sides of the aisle recognize the importance of trade. We recognize the importance of, look, we are in a global economy, right? We are not going to wind that clock backwards. So what is the answer to that?

And I think Mr. Kelly was very eloquent in his passionate words saying, look, if we are going to be in this global economy -- and we are -- we have to lead. We have to set the high standard. We have to define what a global economy looks like. When America does that, the rest of the world will follow us and will be a part of that high standard fair trade agreement.

In Washington State, as my two Washington friends know, we are the most trade-dependent State in the country. Forty percent of our jobs are directly related to trade. So one of the things that we have recognized in Washington State, it may not be so obvious in other parts of the country, is that trade jobs pay more. So if we want to talk about raising the minimum wage, one of the ways to do that is to trade with the rest of the world because they pay 15 to 20 percent higher wages.

Trading with the rest of the world, of course, is a good thing because we all want to buy American. We make American, grow American. We all want to buy American. But we want to sell American also. And, as we have learned today, we can't sell all of American products, grown or made, in the United States. Because why? It is only 5 percent of the market. The other 95 percent of the market that you want to sell to is the rest of the world. We want the rest of the world to buy American products, not Chinese products.

So that is, simply put, the benefits of trade. However, we do have a lot of work to do, and there are some issues that we want to resolve. We want to make sure, as the bottom line, I think, statement for all of us is, we want to make sure that this works for the American people, that this creates jobs here at home, protects jobs here at home, and most of all then, creates jobs here at home for our younger generation.

As Mr. Rangel so aptly described, education and technology and science is really where we need to prepare our young people in looking forward to this new global trade environment that we are going to be leading in, in the future.

I have to say, as a part of my closing, I think that you have given us all a lot to think about. And please be advised that members will have 2 weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record. Our record will remain open until June 28. And I urge interested parties to submit statements to inform the committee's consideration of the issues discussed today.

Chairman Reichert. With that, this committee stands adjourned.

[Whereupon, at 11:54 a.m., the subcommittee was adjourned.]

[Public Submissions or the Record](#)