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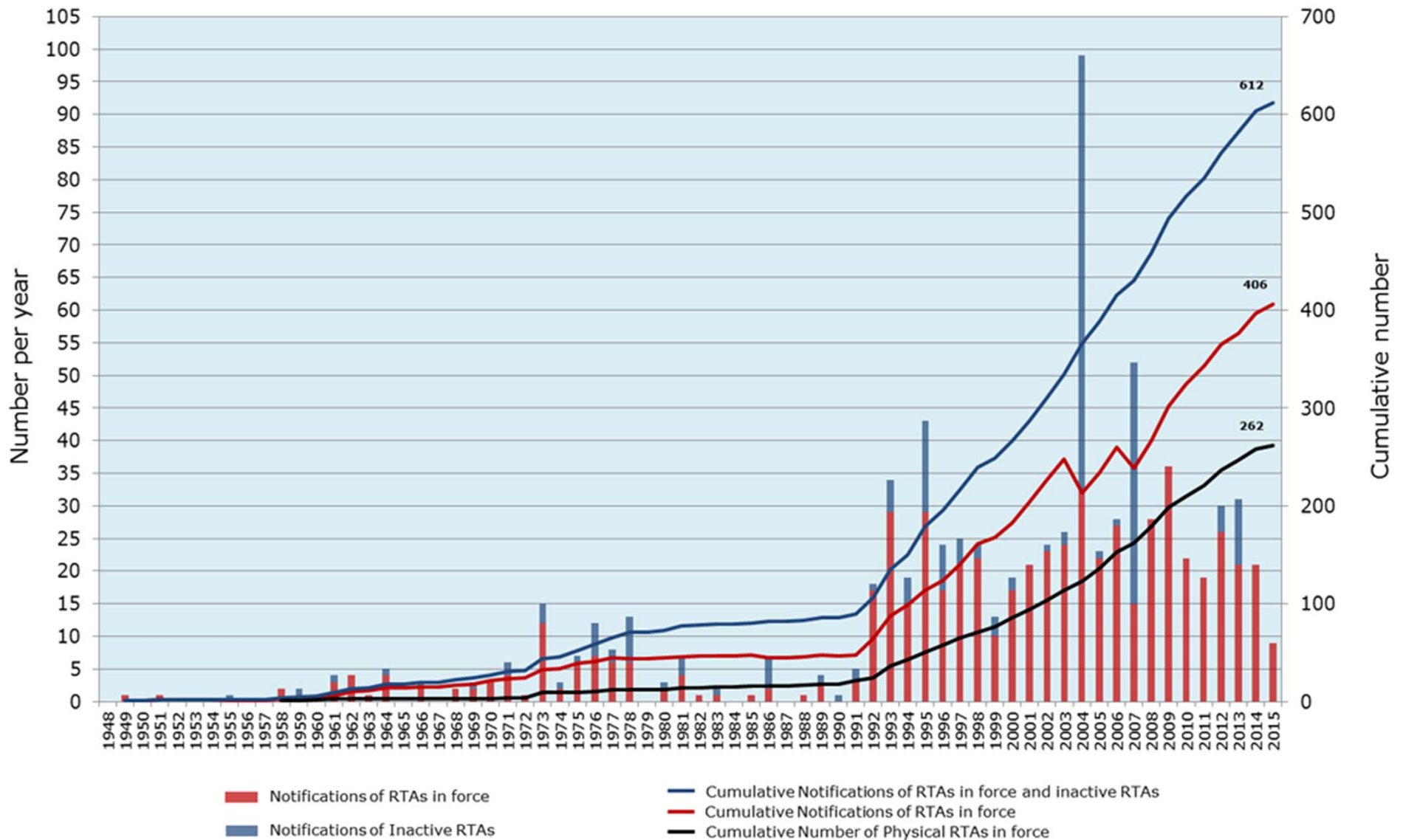
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Agriculture and Trade Agreements

Agricultural Outlook Forum
February 25, 2016

Craig Thorn
DTB Associates, LLP

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



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

Who is Negotiating Agreements?

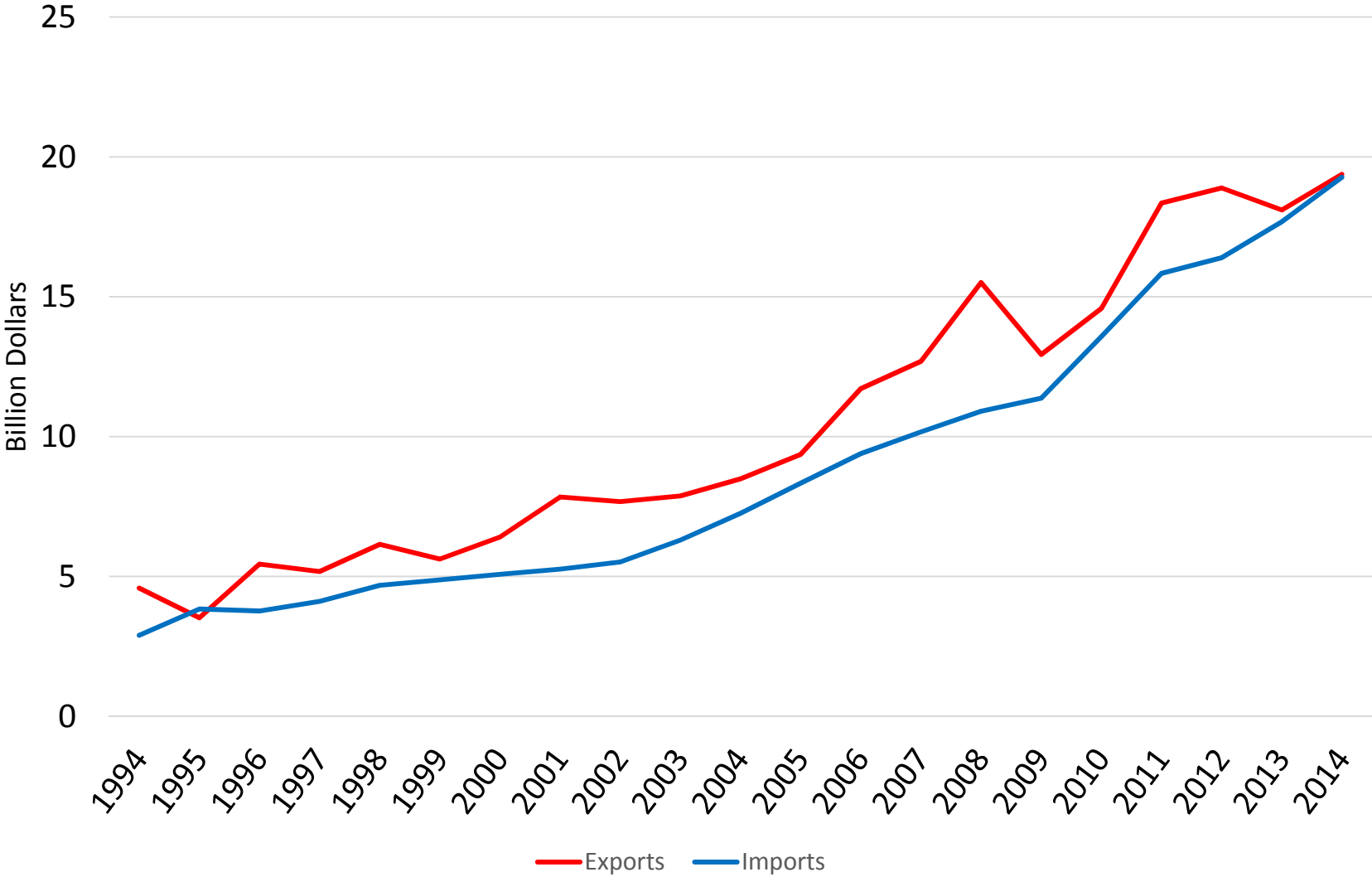
- EU – 37 agreements (93 countries)
 - U.S. – 14 (20)
 - Japan – 14 (18)
 - Canada – 10 (13)
 - China – 8 (15)
 - Chile – 22 (54)
 - Mexico – 9 (48)
 - Peru – 12 (45)
 - Brazil – 1 (5)
-
- And why?

**U.S. Goods Trade Balance with FTA Partners
vs. the Rest of the World**

\$Billion

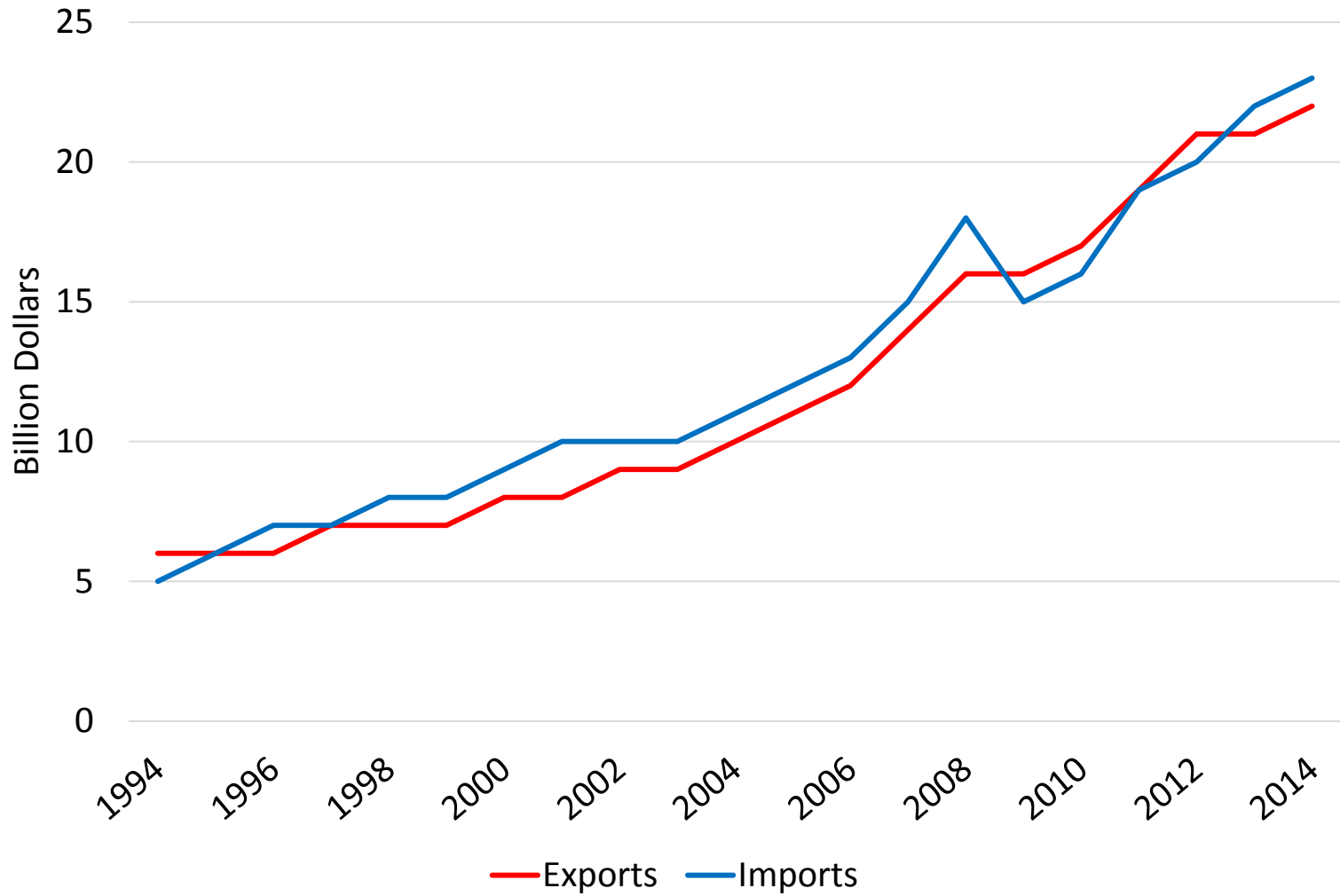
	FTA Partners	Rest of World
2002	-100	-368
2003	-108	-424
2004	-133	-522
2005	-146	-627
2006	-148	-680
2007	-142	-667
2008	-127	-689
2009	-62	-442
2010	-80	-555
2011	-81	-645
2012	-71	-659
2013	-67	-622
2014	-62	-660

Total U.S. Agricultural Trade with Mexico

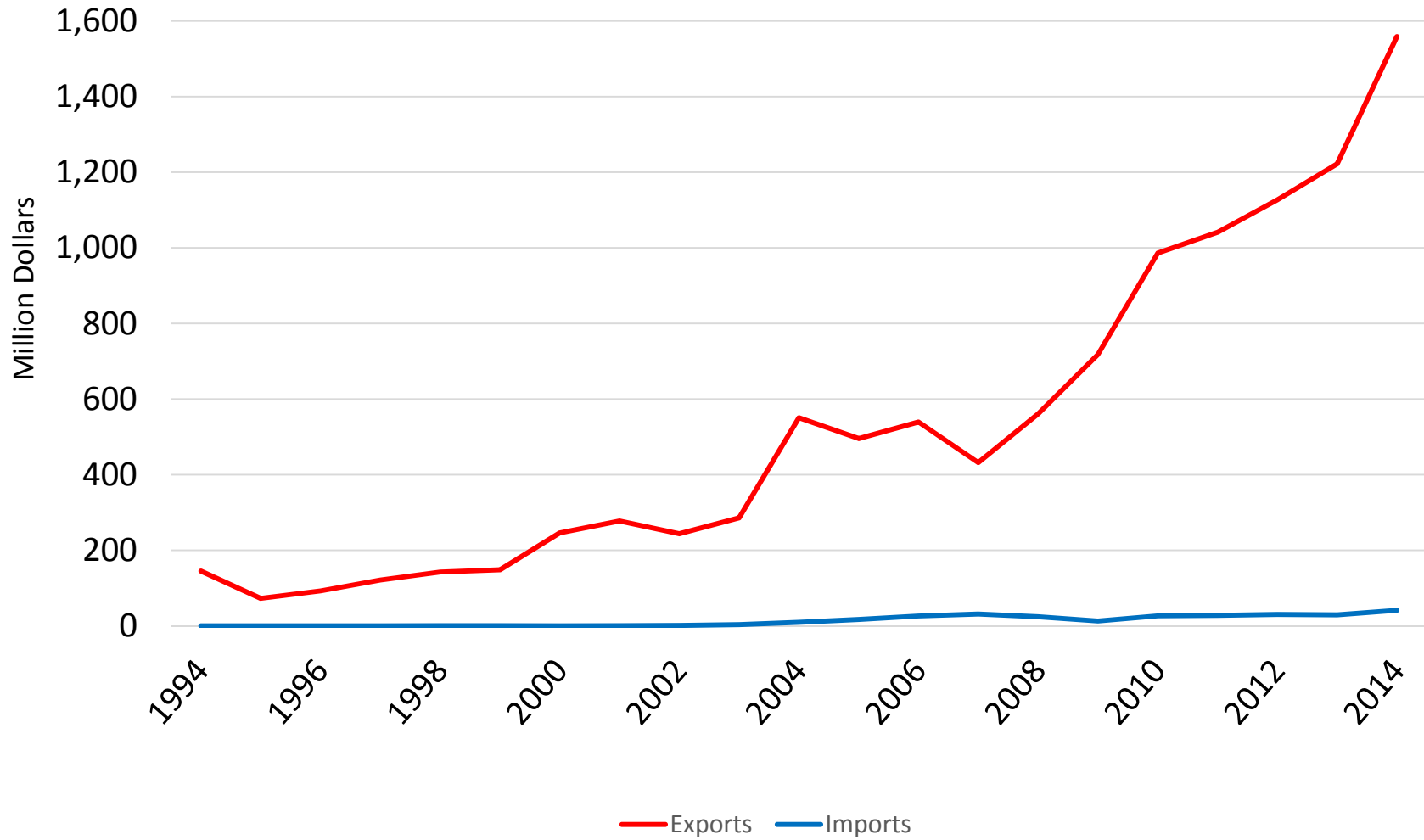


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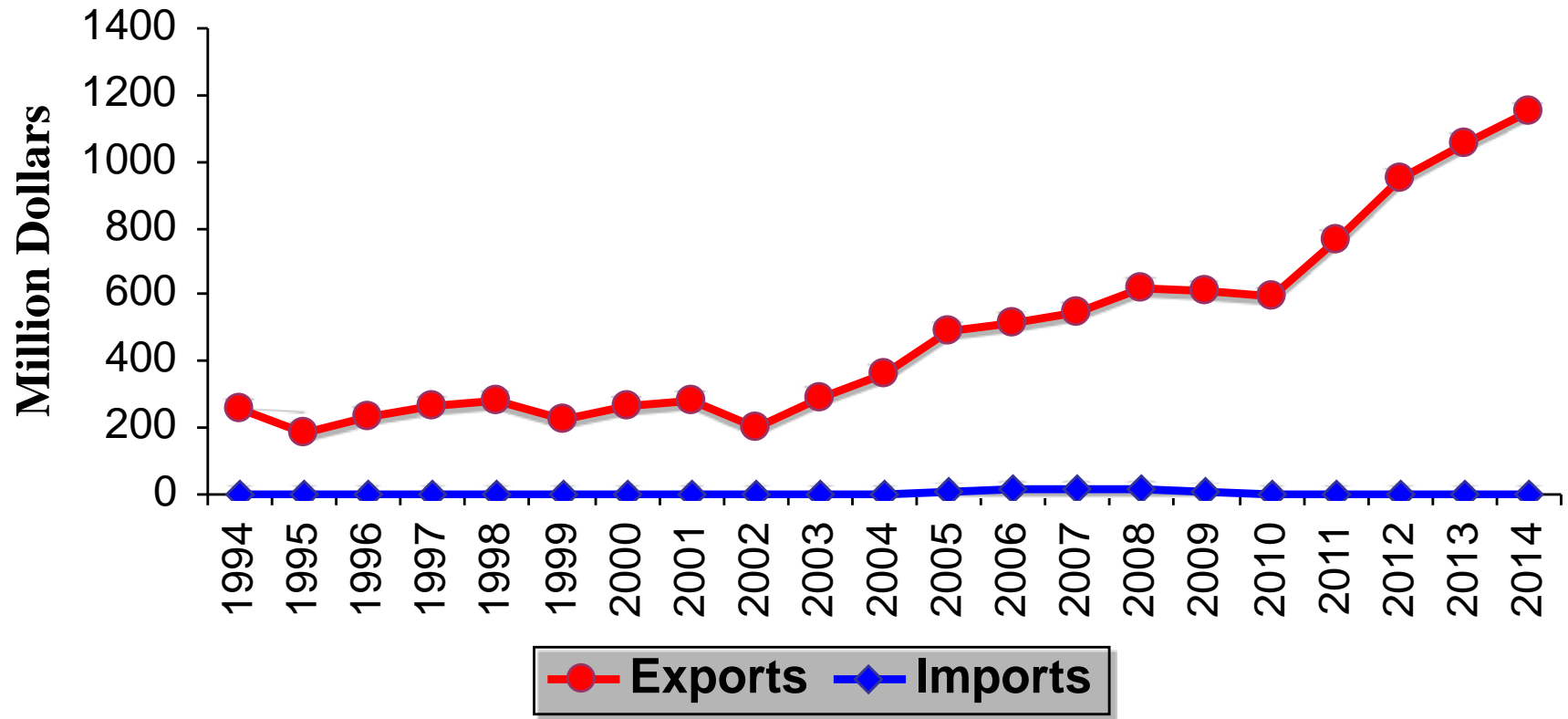
Total U.S. Agricultural Trade with Canada



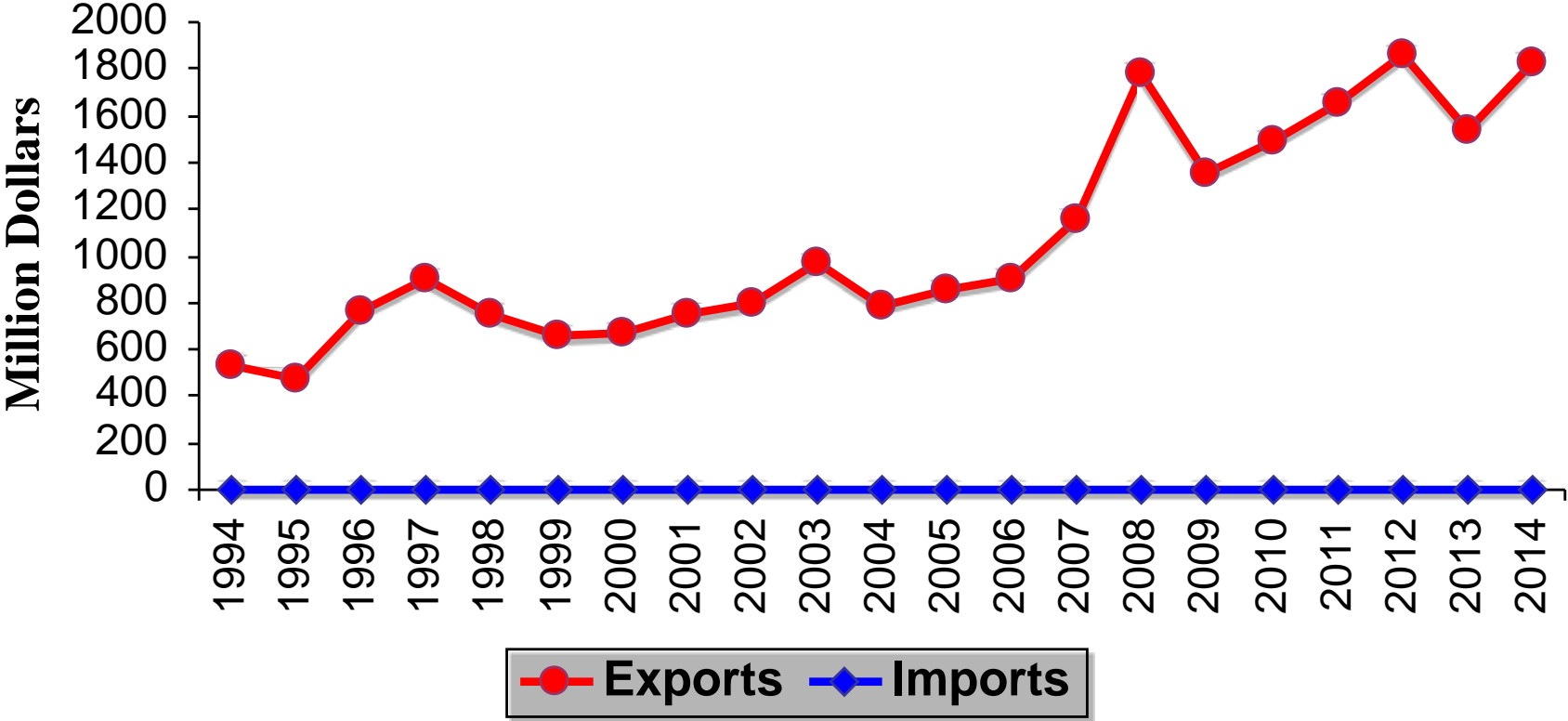
U.S. Pork Trade with Mexico



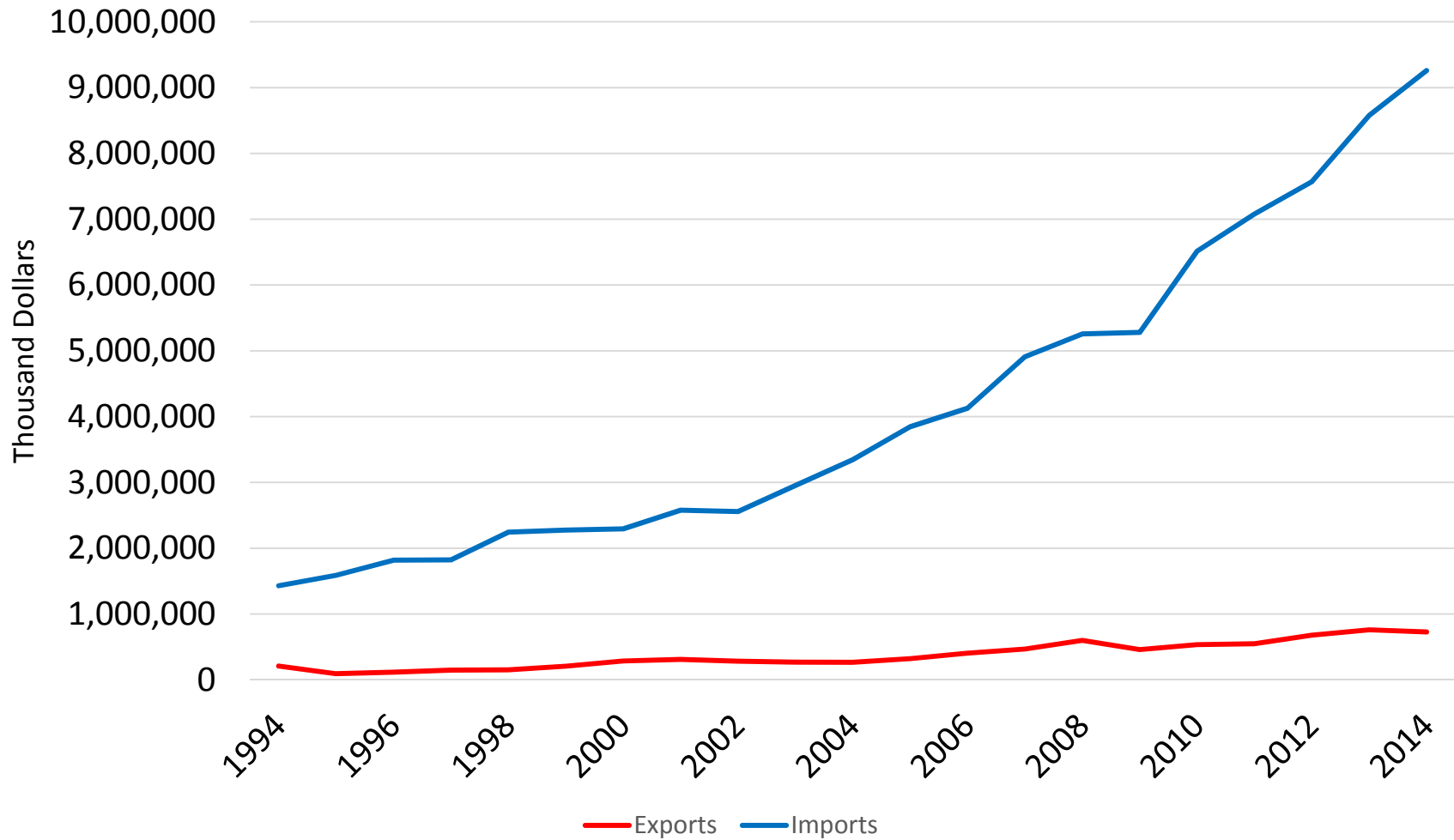
U.S. Poultry Trade with Mexico



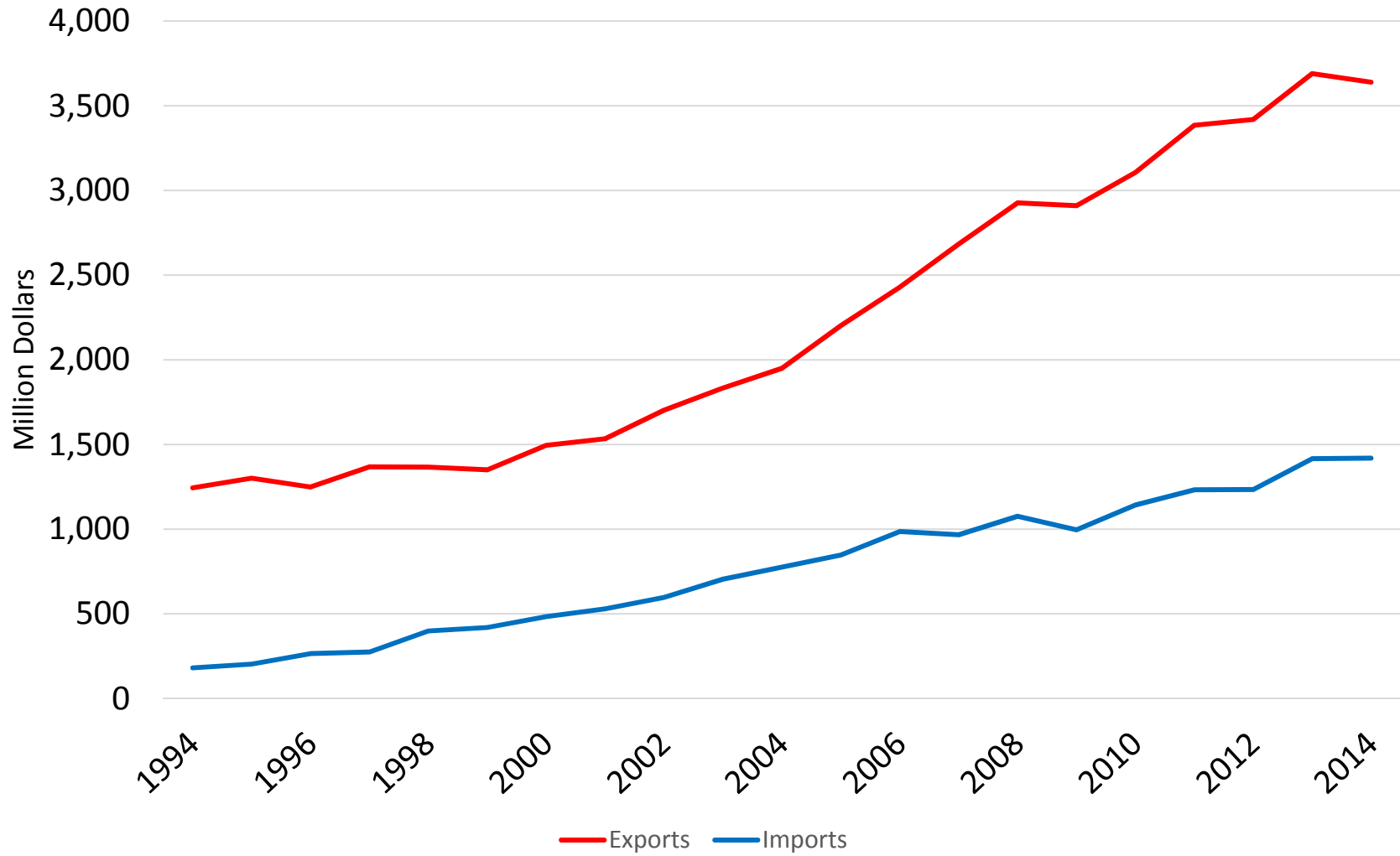
U.S. Soybean Trade with Mexico



U.S. Fruit & Vegetable Trade with Mexico



U.S. Fruit & Vegetable Trade with Canada



Trans-Pacific Partnership (TPP)

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

Trans-Pacific Partnership (TPP)

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

Trans-Pacific Partnership (TPP)

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

Transatlantic Trade and Investment Partnership (TTIP)

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

Trade Policy Agenda for Agriculture

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

Trade Policy Agenda for Agriculture

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

THANK YOU