THE TRANS-PACIFIC PARTNERSHIP Benefits for U.S. Agriculture

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The Trans-Pacific Partnership (TPP) with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam is an opportunity to advance U.S. economic interests in a critical region that accounts for 40 percent of the world economy. The TPP will also help the U.S. respond to the regional and bilateral trade agreements being negotiated by our competitors.

Nationwide, U.S. food and agricultural exports reached a record \$150 billion in 2014, supporting more than one million American jobs. Global demand for these products is growing but so is competition among suppliers. A high-standard TPP agreement that opens markets will support expansion of U.S. agricultural exports, increase farm income, generate more rural economic activity, and promote job growth.

In countries where the United States has free trade agreements, our exports of food and agricultural products have grown significantly. Recent examples include the pacts with Chile, Colombia, Panama, and South Korea, as well as the CAFTA-DR agreement with five Central American countries and the Dominican Republic. The TPP promises similar benefits.

- Apples: U.S. exports of fresh apples to the TPP countries face tariffs as high as 17 percent. Under the TPP
 agreement these tariffs will be cut, offering new market access opportunities to U.S. apple producers and
 exporters. In 2014 the United States exported almost \$600 million in fresh apples to the TPP region. Without
 the TPP agreement, U.S. fresh apple exports face a competitive disadvantage because Australia, New Zealand
 and the ASEAN countries are able to export fresh apples to Vietnam at lower tariff rates due to the ASEANAustralia-New Zealand Free Trade Agreement.
- Barley and Barley Malt: U.S. exports of barley to the TPP countries face tariffs as high as 200 percent. Under
 the TPP agreement tariffs across the TPP region will be cut, offering new market access opportunities to U.S.
 producers and exporters of barley and barley malt. This includes Japan, the world's third largest barley and
 barley malt importer despite high tariffs. In 2014 the United States exported \$304 million of barley and malt
 to the TPP region. Without the TPP agreement, U.S. barley product exports face a competitive disadvantage
 because Australia is able to export barley products to Malaysia tariff free under their free trade agreement.
- Beef: Japan is the largest export market for U.S. beef and beef products, valued at almost \$2 billion in 2014.
 U.S. beef exports to the TPP countries currently face tariffs as high as 50 percent. Under the agreement, tariffs across the region will be cut, offering new market access opportunities to U.S. beef producers and exporters.
 In 2014 the United States exported almost \$4 billion of beef to the TPP region. Without the TPP agreement,
 U.S. beef exports face a competitive disadvantage because Australia is able to export beef to Japan at lower tariff rates due to the Japan-Australia Economic Partnership Agreement.
- Beer: U.S. exports of beer to the TPP countries face tariffs as high as 35 percent. Under the TPP agreement these tariffs will be cut, offering new market access opportunities to U.S. beer producers and exporters. In 2014 the United States exported almost \$400 million in beer to the TPP region. Without the TPP agreement, U.S. beer exports to Malaysia and Vietnam may face a competitive disadvantage when the European Union completes its free trade agreements with these countries.

- Cherries: U.S. exports of fresh cherries to the TPP countries face tariffs as high as 10 percent. Under the TPP agreement these tariffs will be cut, offering new market access opportunities to U.S. fresh cherry producers and exporters. In 2014 the United States exported almost \$200 million in fresh cherries to the TPP region. Without the TPP agreement, U.S. fresh cherry exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are able to export fresh cherries to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- Citrus Fruits and Juices: U.S. exports of citrus fruits and juices to the TPP countries face tariffs as high as 43 percent. Under the agreement, tariffs across the region will be cut, offering new market access opportunities to U.S. citrus producers and exporters. In 2014 the United States exported almost \$900 million of these products to the TPP region. Without the TPP agreement, U.S. citrus fruits and juice exports to Japan face a competitive disadvantage because citrus fruits and juices from Australia, Chile and Vietnam already receive preferential tariff treatment due to those countries' free trade agreements with Japan.
- Corn: U.S. exports of corn and corn products to the TPP countries face tariffs as high as 40 percent. Under the TPP agreement these tariffs will be cut, offering new market access opportunities to U.S. producers and exporters of corn and corn products. In 2014 the United States exported more than \$6 billion in corn and corn products to the TPP region. Without the TPP agreement, U.S. corn product exports to Japan face a competitive disadvantage because corn products from Australia, Chile and Vietnam already receive preferential tariff treatment due to those countries' free trade agreements with Japan. In addition, U.S. animal feed suppliers stand to benefit from tariff reductions on livestock products in TPP markets.
- Cotton: U.S. exports of cotton to the TPP countries face tariffs as high as 10 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. cotton producers and exporters. In 2014 the United States exported more than \$1 billion in cotton to the TPP region. Without the TPP agreement, U.S. cotton exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries will all eventually be able to export cotton to Vietnam tariff free under the ASEAN-Australia-New Zealand Free Trade Agreement.
- Dairy Products: Japan and Canada are already top export destinations for U.S. dairy products, accounting for more than \$1 billion in sales in 2014 despite high tariffs. Under the TPP agreement, tariffs in all TPP countries will be cut, further opening a market that accounted for almost \$4 billion in U.S. dairy product exports in 2014. Without the TPP agreement, U.S. dairy product exports to Japan face a competitive disadvantage because Australian dairy products already receive preferential tariff treatment due to the Japan-Australia Economic Partnership Agreement.
- **Distilled Spirits:** U.S. exports of distilled spirits to the TPP countries face tariffs as high as 45 percent. Under the TPP agreement, these tariffs will be cut offering new market access opportunities to U.S. producers and exporters of distilled spirits. In 2014 the United States exported more than \$500 million in distilled spirits to the TPP region. Without the TPP agreement, U.S. distilled spirit exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries will all eventually be able to export distilled spirits to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- Feeds and Fodder: U.S. exports of feeds and fodder to the TPP countries face tariffs as high as 35.8 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. producers and exporters of feeds and fodder. In 2014 the United States exported \$3.4 billion in feeds and fodder to the TPP region. Without the TPP agreement, U.S. feed and fodder exports to Japan face a competitive disadvantage because certain feed and fodder exports from Australia, Chile and Vietnam receive preferential tariff treatment due to their free trade agreements with Japan. In addition, U.S. animal feed suppliers stand to benefit from tariff reductions on livestock products in TPP markets.

- Fruits: U.S. exports of fresh fruits to the TPP countries face tariffs as high as 40 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to growers and exporters. In 2014 the United States exported almost \$3.1 billion in fresh fruits to the TPP region. Without the TPP agreement, U.S. fresh fruit exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are able to export fresh fruit to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- **Hides and Skins:** U.S. exports of hides and skins to the TPP countries face tariffs as high as 30 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. producers and exporters of hides and skins. In 2014 the United States exported \$454 million in hides and skins to the TPP region. Without the TPP agreement, U.S. hide and skin exports to Japan face a competitive disadvantage because certain Australian, Chilean, Mexican and Vietnamese hide and skin exports receive preferential tariff treatment due to those countries' free trade agreements with Japan.
- Pears: U.S. exports of fresh pears to the TPP countries face tariffs as high as 10 percent. Under the TPP
 agreement, these tariffs will be cut, offering new market access opportunities to U.S. producers and exporters
 of pears. In 2014 the United States exported almost \$200 million in fresh pears to the TPP region. Without the
 TPP agreement, U.S. pear exports face a competitive disadvantage because Australia, New Zealand and the
 ASEAN countries are able to export pears to Vietnam at lower tariff rates due to the ASEAN-Australia-New
 Zealand Free Trade Agreement.
- **Pork:** U.S. exports of pork to the TPP countries face high tariffs. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. pork producers and exporters. This includes Japan, which was the United States' top pork market in 2014 with almost \$2 billion in sales, despite high tariffs and a complicated import system. In 2014, the United States exported nearly \$5 billion of pork and pork products to the TPP region overall. Without the TPP agreement, U.S. pork exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are all able to export pork to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- Potatoes and Potato Products: U.S. exports of potato and potato products to the TPP countries face tariffs as high as 34 percent. Under the TPP agreement, these tariffs will be cut, offering new market access opportunities to U.S. producers and exporters of potato and potato products. In 2014 the United States exported about\$1 billion of these products to the TPP region. Without the TPP agreement, U.S. potato and potato product exports to Japan face a competitive disadvantage because Australian, Chilean and Vietnamese potato and potato product exports already receive preferential tariff treatment due to those countries' free trade agreements with Japan.
- **Poultry:** U.S. exports of poultry to the TPP countries face tariffs as high as 240 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. poultry producers and exporters. In 2014 the United States exported almost \$3 billion of poultry and poultry products to the TPP region. Without the TPP agreement, U.S. poultry and poultry product exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are able to export poultry and poultry products to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- Rice: U.S. exports of rice to the TPP countries face high tariffs, in particular in Japan. Under the TPP
 agreement, tariffs in all TPP countries will be cut, offering new market access opportunities to U.S. rice
 producers and exporters. In 2014 the United States exported more than \$800 million to the TPP region.
 Without the TPP agreement, U.S. rice exports face a competitive disadvantage because Australia, New
 Zealand and the ASEAN countries are all able to export rice to Vietnam at lower tariff rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.

- Soybeans and Soybean Products: Japan is the fourth-largest export destination for U.S. soybeans, accounting for \$1 billion a year in sales despite tariffs as high as 20 percent. Under the TPP agreement, tariffs across the region will be cut, offering new market access opportunities to U.S. producers and exporters of soybeans and soybean products. In 2014 the United States exported \$5.5 billion of soybeans and soybean products to the TPP region. Without the TPP agreement, U.S. soybean product exports to Japan face a competitive disadvantage because Australian, Chilean and Vietnamese soybean product exports already receive preferential tariff treatment due to those countries' free trade agreements with Japan. In addition, U.S. animal feed suppliers stand to benefit from tariff reductions on livestock products in TPP markets.
- Tree Nuts: U.S. tree nut exports to the TPP countries face tariffs as high as 30 percent. Under the TPP agreement, these tariffs will be cut, offering new market access opportunities to U.S. tree nut producers and exporters. In 2014, the United States exported almost \$2 billion of these products to the TPP region. Without the TPP agreement, U.S. tree nut exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are all able to export tree nuts to Malaysia and Vietnam at lower rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.
- **Vegetables:** U.S. exports of fresh and processed vegetables to the TPP countries face tariffs as high as 90 percent. Under the agreement, tariffs across the TPP region will be cut, offering new market access opportunities to U.S. producers and exporters of fresh and processed vegetables. In 2014 the United States exported almost \$5 billion in fresh and processed vegetables to the TPP region. Without the TPP agreement, U.S. fresh and processed vegetable exports to Japan face a competitive disadvantage because Australian, Chilean, Mexican and Vietnamese fresh and processed vegetable exports already receive preferential tariff treatment due to those countries' free trade agreements with Japan.
- Wine: U.S. exports of wine to the TPP countries face tariffs as high as 55 percent. Under the TPP agreement, these tariffs will be cut, offering new market access opportunities to U.S. wine producers and exporters. In 2014 the United States exported almost \$600 million in wine to the TPP region. Without the TPP agreement, U.S. wine exports to Japan face a competitive disadvantage because Australian and Chilean wine exports already receive preferential tariff treatment due to those countries' free trade agreements with Japan.
- Wheat: Japan is the largest market for U.S. wheat and U.S. exports, which reached almost \$1 billion in 2014. U.S. exports of wheat to Japan face high tariffs and restrictive tariff-rate quotas. Under the TPP agreement, tariffs across the region will be cut, offering new market access opportunities to U.S. wheat producers and exporters. In 2014 the United States exported more than \$2 billion of wheat to the TPP region. Without the TPP agreement, U.S. wheat and wheat product exports face a competitive disadvantage because Australia, New Zealand and the ASEAN countries are all able to export wheat and wheat products to Vietnam at lower rates due to the ASEAN-Australia-New Zealand Free Trade Agreement.