

Agriculture in the NAFTA Renegotiation

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US Agricultural Trade in NAFTA

Table 1 US agricultural imports and exports with NAFTA partner countries, 2016 (billions of US dollars)

	Canada	Mexico
Imports	22	23
Exports	23	17.9
Surplus/deficit	1	-5.1
Total surplus/deficit	12.5	-63.2
Percent of bilateral surplus/deficit	8	8.1
Percent of total bilateral trade	7.2	7.1

Source: USTR (2017), author's calculations.



Dozens of dairy farmers from Ontario and Quebec gathered on Parliament Hill to raise concerns about the Trans Pacific Partnership negotiations. | Sean Kilpatrick / Canadian Press.

Mexican farmers protest the end of import protections for their country's corn and bean crops under the terms of NAFTA in Mexico City in 2008. | Eduardo Verdugo / AP





Four Points

1. North American agriculture likes NAFTA
2. NAFTA has created cross-border supply chains in agriculture
3. Disruptions to US agricultural trade would disproportionately affect Trump supporters
4. A productive renegotiation would look a lot like TPP



1. Agriculture likes NAFTA

Table 3 NAFTA partners' intra-NAFTA and rest of world (ROW) exports, 1991–93 vs. 2010–12 (values in billions of US dollars)

Period	Food Price Index	Agriculture	USA-NAFTA	USA-ROW	MEX-NAFTA	MEX-ROW	CAN-NAFTA	CAN-ROW
		Raw Materials Index						
1991–93	98.5	97.4	8.4	33.5	3.3	0.4	6.2	5.5
2010–12	169.1	137.5	36.1	95.1	17	4	23.4	20.2
Growth (percent)	71.7	41.2	329.8	183.9	415.2	900	277.4	267.3

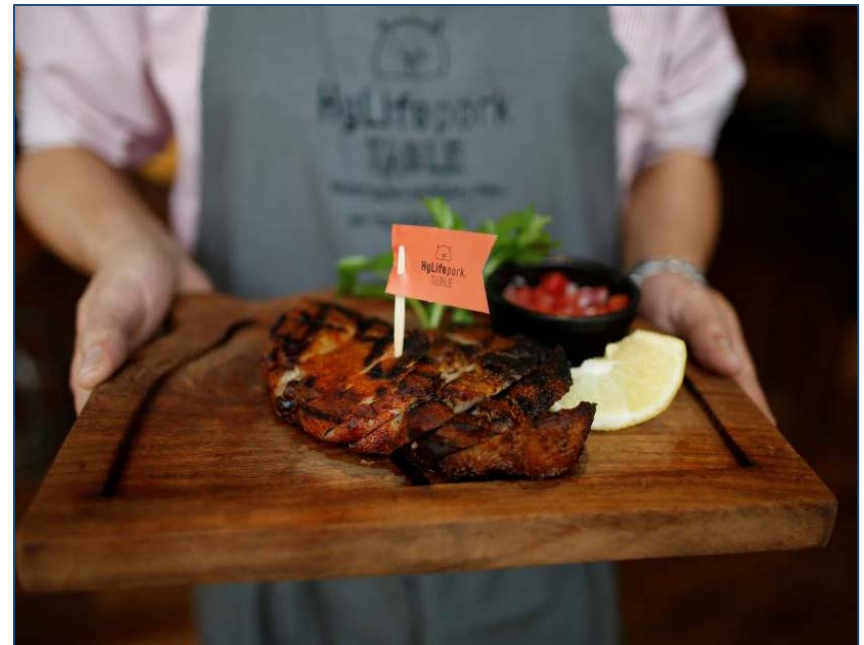
Sources: IMF Commodity Price Statistics, 2017; author's calculations from Zahniser et al. (2015).



1. Agriculture likes NAFTA



2. NAFTA and Cross-Border Supply Chains





4. A Productive Renegotiation

1. *Seek to reduce or eliminate nontariff barriers (NTBs) to US agricultural exports, including permit and licensing barriers, restrictive administration of tariff-rate quotas, unjustified trade restrictions that affect new US technologies, including biotechnology, and other restrictive trade measures.*
2. *Maintain commitments to eliminate all export subsidies on agricultural products, while maintaining the right to provide bona fide food aid and preserving US agricultural market development and export credit programs.*
3. *Seek to secure more open and equitable market access for agricultural products through robust rules on SPS measures and eliminate any SPS restrictions that are not based on science.*
4. *Seek to strengthen cooperation between US and NAFTA countries' SPS authorities.*

Then-acting US Trade Representative Stephen Vaughn March 30, 2017



Thank you!

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