

New Era for Trade

Trans-Pacific Partnership on the horizon.

Story & photo by **Kindra Gordon**

By the numbers, U.S. agriculture has achieved some noteworthy statistics. In 2011, U.S. ag exports reached a record high of \$137.4 billion. According to USDA's Economic Research Service, each \$1 billion in ag exports supports about 7,800 jobs on and off the farm.

For the U.S. economy, these numbers have been a boon during the post-recession rebuilding phase. The numbers are impressive when you consider that 15 years ago they were about half of that.

Ambassador Islam Siddiqui, chief agricultural negotiator with the Office of the U.S. Trade Representative (USTR), points to 1997 and 1998 and says, "U.S. ag exports were at about \$60 billion, and we dreamed of getting to \$100 billion."

On behalf of the USTR, Siddiqui is instrumental in opening trade markets, leveling the playing field and keeping America competitive. With the burgeoning world population and increasing demand for high-quality food, Siddiqui says, "prospects are bright in the coming years. U.S. ag products are well-respected and well-liked all around the world."

2014 goal

The National Export Initiative (NEI), launched in 2009 by President Obama, aims to double all U.S. exports by the end of 2014.

Siddiqui says ag exports are contributing greatly to achieving that goal. Last year, for the first time, U.S. beef exports crossed the \$5

billion mark, while pork crossed the \$7 billion threshold.

Additionally, new trade agreements with Korea, Colombia and Panama were signed in the past year and are being implemented in what Siddiqui calls "record time." He says all three of these agreements will benefit

U.S. agriculture, particularly the Korean market, which should provide a \$1.9 billion boost.

The three agreements are eliminating or phasing out tariffs on items such as corn, soybeans and beef, which should increase market access for these U.S. ag commodities. Colombia had an 80% duty on Prime and Choice U.S. beef cuts.

Next focus is TPP

According to Siddiqui, the next trade

negotiation on which the USTR is focusing is the Trans-Pacific Partnership (TPP), which would forge a free-trade agreement with multiple countries in the Asian-Pacific Rim and liberalize trade of several ag products. Many of these countries involved are big-time trade partners.

The negotiations have progressed since 2009, with the 13th negotiating round convened July 2-10, 2012, in San Diego. It is hoped the TPP will be approved by 2014.

In addition to the United States, the partnership currently includes eight other countries — Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam. The next TPP meeting is slated for early September. Canada and Mexico are

anticipated to join the talks at that time.

Siddiqui explains that the TPP would upgrade trade relationships to include 21st century requirements. If passed, he says, this would be "a game changer for the future."

In a statement from the National Cattlemen's Beef Association (NCBA), Texas cattleman and NCBA Vice President Bob McCan supported the addition of Canada and Mexico to the negotiations.

"This agreement could likely become much more than a multilateral free-trade agreement," McCan says. "Eliminating tariff and nontariff barriers promotes greater economic stability and job creation in all countries, which will strengthen bonds between nations and encourage global security in the Pacific Rim."

In total, the vision with TPP is to improve access to each country's industrial goods, agriculture products and textile markets.

"The vision is that once TPP is negotiated, other countries could join the agreement," Siddiqui says. He indicates that China, Japan and the Philippines have shown some interest in the agreement.

Looking ahead, Siddiqui says his goal via the USTR is to continue to negotiate and open new markets and to remove the trade barriers that exist today so that American farmers and the U.S. economy can continue to prosper.

The 14th Round of TPP negotiations will take place in Leesburg, Va., Sept. 6-15, 2012.



Editor's Note: Ambassador Islam Siddiqui shared his remarks about the growing global economy at South Dakota's Governor's Ag Development Summit June 27 in Pierre.



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Beefing up trade

State delegations visiting other countries on trade missions are a pretty common means of helping create awareness and markets for U.S. agricultural products in foreign countries. However, the real key to securing trade deals, says Dean Gorder, executive director of the North Dakota Trade Office, is through reverse trade missions in which decision-makers from other countries visit agricultural producers in the United States.

"When they come to you, they see America and the technology being used on farms and ranches, and it blows them away," Gorder says. "From a sales perspective, that's where most of the business comes from."

With 95% of the world's population living outside the United States, Gorder concludes, "our markets are external, especially on the ag side."