



FAMILY FARMING AND TRADE 2019 SPECIAL ORDER OF BUSINESS

Access to global markets is critical for family farms. U.S. agricultural exports account for about 20 percent of farm income, and farmers and ranchers rely heavily on strong export markets and fair trade to maintain commodity prices and farm revenues. However, the objectives and enforcement of many U.S. free trade agreements and the growing national trade deficit can promote unfair trade practices that harm family farmers and ranchers.

The Trump Administration's trade policy uses tariffs on trading partners as a mechanism to protect certain domestic industries, to punish China for unfair intellectual property rights practices, and as a bargaining chip in broader trade negotiations. Affected countries include U.S. allies and leading U.S. agricultural export markets such as Canada, Mexico, and the European Union. Those trading partners have responded with retaliatory tariffs on U.S. products that in many cases specifically target U.S. agricultural goods. As a result, key trading relationships have been disrupted, causing a reduction in U.S. farm exports at a time of already low farm income.

International trade agreements, when properly constructed, are useful vehicles that lessen world trade tensions and increase development opportunities and economic growth. Further, the international trading framework under the World Trade Organization provides a forum for working with allies to address disputes, such as those with China. The current U.S. tariffs run the risk of inflicting long-term damage to our relationships with trading partners, making it harder to re-establish markets and expand into new ones. Congress and the Administration need to ensure that U.S. currency is properly valued to keep U.S. commodities globally competitive and to improve our balance of trade. Trade agreements should also include labor and environmental standards, and protect national sovereignty.

NFU urges the Administration to build a coalition of our trading partners to deal with countries that trade unfairly, resolve trade issues that affect family farms and ensure the WTO can act as a neutral arbiter in trade. Finally, we call on Congress and the Administration to work to remove retaliatory tariffs that target family farmers and until they are removed, provide financial support to family farmers impacted by trade disputes.