

NAFTA uncertainty remains for agriculture

By CAROL RYAN DUMAS
Capital Press

The sixth round of negotiations over the North American Free Trade Agreement between the U.S., Canada and Mexico, held in Montreal, ended on Monday with no more certainty for farmers than when they started.

While U.S. Trade Representative Robert Lighthizer said in closing statements that some progress was made, he also said negotiations are progressing slowly.

"We owe it to our citizens, who are operating in a state of uncertainty, to move much faster," he said.

In farm country, that un-

certainty and the potential for U.S. withdrawal from the agreement are major concerns, said Brian Kuehl, executive director of Farmers for Free Trade, a bipartisan campaign to restore support for agricultural trade.

"As we head into planting season, farmers need the confidence that exports to America's two most important agricultural export markets will remain viable," he said.

While the progress made in Montreal is heartening, it's also clear negotiations could last longer than anticipated, he said.

Farmers for Free Trade held a media conference call from Montreal to speak



Darci Vetter

out about the importance of NAFTA and farmers' need for certainty.

NAFTA has integrated markets in North America and made the U.S., Canada and Mexico interdependent, said Darci Vetter, senior adviser

for the organization and former chief U.S. agriculture negotiator. It has helped farmers diminish risk and reduce uncertainty, and the benefits go beyond farmers to the broader economy.

There is room for improvement in the agreement to ease the flow of agricultural trade, such as harmonizing sanitary and phytosanitary measures, but the foundation for agriculture needs to be protected and negotiations need to move quickly, she said.

"Frankly, time matters because uncertainty is costly. The longer we go without having clarity about the strength of that relationship with our partners, the more we provide incentive for our

partners to look elsewhere," she said.

U.S. agricultural businesses are already seeing Canadian and Mexican customers diversifying their purchases, she said.

Time spent on NAFTA is also time away from forging new trade relations with other countries, and trade agreements are moving forward without the U.S., she said.

Exports are vital to economic development and profitability, and access to markets is key, said Floyd Gaibler, director of trade policy for the U.S. Grains Council and former USDA deputy undersecretary for farm and foreign agricultural services.

"NAFTA is exhibit A of

the benefits to U.S. agriculture and the U.S. economy at large," representing nearly \$1.3 trillion in total, he said.

The U.S. exported more than \$20 billion in agricultural products to Canada and nearly \$18 billion to Mexico in 2016, according to USDA.

It's vital to maintain for most of U.S. agriculture NAFTA's reciprocal, duty-free market access, he said. The downstream impact of withdrawal would be a loss of up to \$13 billion to the farm sector, Gaibler said.

"This negotiation is too important to fail, and we need to continually and collectively reinforce the importance of doing no harm and modernizing the agreement," he said.

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Associated Press File

Loaded container trucks line up at the Port of Seattle. Other countries moving ahead with trade agreements is not a reaction to recent political developments in U.S. trade policy but a commitment to the benefits of free trade and years of negotiations, EU and New Zealand trade negotiators say.

Expanding trade not waiting on U.S.

By CAROL RYAN DUMAS
Capital Press

Trade negotiators from the European Union and New Zealand say they hope the U.S., as a valued trading partner, will get back in the game

but they are staying the course on years of trade negotiations.

"We are continuing to conclude trade deals because we believe that trade can be win-win and that everything which liberalizes further and creates new market opportunities is

to everybody's benefit," said David O'Sullivan, the EU's ambassador to the U.S.

The EU has just completed an ambitious trade deal with Canada and will sign another with Japan in the next few months. Its agreements with Singapore and Vietnam will enter into force this year, and it is upgrading first-generation trade deals with Mexico and Chile, he said at the International Dairy Forum.

While he's a believer in free trade, he's not naive. It's a disruptor and needs public policy to accompany it to help regions and sectors that are adversely affected, he said.

"I'm not a blind advocate of free trade and nothing else. But I think if you get that right policy mix, it's undisputable that trade makes everybody better, and that to us is a fundamental tenet of the European Union's international perspective," he said.

The EU will continue down that path, and hopes the U.S. will continue to be the great partner in the future that it has been in the past, he said.

New Zealand shares the same perspective on trade, said Tim Groser, New Zealand's ambassador to the U.S.

"I think the problem is we've been taught too well by the United States over the last 70 years to say and do these things," he said.

"It's not that we don't face new challenges to the orthodoxy that has prevailed ... we've met these challenges," he said.

Those challenges include such things as social and environmental issues, but it's not stopping the pursuit of trade agreements, he said.

"Trade agreements are going on as we try to manage these political problems. It's not stopping us, although these problems have to be managed in new ways entering into new trade and investment agreements," he said.

The Trans-Pacific Partnership, which the U.S. pulled out of, is highly likely to go ahead, just as the EU will go ahead with its agreement with Japan, he said.

"At the same point, there may be an administration and a political willingness (in the U.S.) to get back into this game with us because all of us are your allies, your close partners and your friends. These countries that are doing this stuff are not anti-U.S. in any sense at all," he said.

The U.S. has to find its own way of dealing with anti-globalization and anti-trade sentiment, and in time it will, he said, but other countries aren't stopping in their pursuit of trade agreements.

"We just want you guys to sort it out," he said.

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HOT TOPICS

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- Utilizing a family LLC in transition of the farm land and other family "jewels"
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For questions, please call Corey at (509) 622-4707 or email Corey@BrockLF.com

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MEET THE SPEAKERS

Corey works primarily with farm families and farm related businesses in meeting their transition and business goals. Corey has significant experience particularly with respect to LLCs, buyouts and buy-sell agreements in corporations and LLCs, structuring estate planning for the non-farm child(ren) vs. the children on the farm, mergers and acquisitions, real estate matters leases, and all general and complex estate planning/probate. Corey enjoys working with families in designing a transition plan that meets the families' desire. Corey also assists in structuring entities for Bureau water concerns and general water law matters.

Norm brings over 40 years of experience in representing hundreds of farm families throughout Eastern Washington, Idaho and Eastern Oregon. He is licensed to practice in Washington, Idaho and Oregon and primarily deals with sophisticated estate planning, farm program limitation issues for DCP / CRP and/or CSP limitations.



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