

National Farmers Union Board of Directors Resolution on USMCA

Access to export markets is critical for U.S. family farmers and ranchers. Agricultural exports account for about 20 percent of U.S. farm income, and farmers and ranchers rely on these sales to maintain commodity prices and boost revenue. Canada and Mexico are the leading export markets for U.S. agricultural products—a strong U.S. Mexico Canada Agreement would help to maintain those important relationships.

For farmers and rural communities to remain strong, they need more than high exports. Thus, trade agreements must not be limited to regulating domestic support levels, export subsidies and market access. Every trade agreement must address differences in labor standards, environmental standards, health standards, and other trade distorting policies, and provide for the strong enforcement of those standards. Further, trade agreements must not limit U.S. sovereignty or prohibit Congress from enacting policies that it deems in the best interest of U.S. citizens.

The blessing of excess agricultural production should not be used to as a weapon to depress agricultural product prices in neighboring countries. Selling excess production at prices below the full cost of production is dumping and should not be allowed. Neither NAFTA nor USMCA has dealt with the issue of dumping. Both Canada and Mexico's excess livestock production has been used to depress domestic livestock prices for U.S. livestock producers. U.S. white corn has been dumped into Mexico causing the collapse of the price of their staple crop. Dumping uses excess production to become a price depressing weapon.

The renegotiation of NAFTA was the perfect opportunity to use U.S. leverage to regain the use of U.S. Country of Origin labeling authority because it was Canada and Mexico who used the WTO process to take away the ability of U.S. food producers to identify and differentiate their food products in their own domestic marketplace. That effort was not made. The United States is the world's largest food producing nation and the world's largest cash-driven market. When the U.S. lost Country of Origin Labeling authority, the rest of the world including Mexico and Canada, kept authority to label their own products. Both U.S. food consumers and U.S. food producers must have the right to honest and transparent labeling so U.S. consumers can make an informed food buying decision.

USMCA must meet these standards—currently it falls short. Provisions that limit the actions Congress can take to reduce prescription drug prices must be rectified to allow for future reductions in health care costs. The increasing cost of health care, a top concern among National Farmers Union members, is eating into already shrinking farm revenue. Farmers are increasingly dependent on off-farm employment to make ends meet, but many rural manufacturing and other jobs have moved to foreign markets with cheaper labor and lower environmental standards. Labor, environment, and enforcement standards must be strengthened to help to keep jobs in rural communities.

On behalf of nearly 200,000 member farmers and ranchers across the country, National Farmers Union Board of Directors' final judgement on the passage of USMCA depends on the strengthening of labor, environment, and enforcement provisions; rectifying language related to prescription drugs; strengthening of anti-dumping protections for agricultural goods; and re-establishing Country of Origin Labeling authority.

National Farmers Union Board of Directors Resolution on Unnecessary Market Pressures on Agriculture

National Farmers Union serves to protect and enhance the economic well-being and quality of life for family farmers and ranchers across the country. Times are tough in rural America. Prices for many commodities are well below the cost of production. Farm debt is at its highest level since 1981. Banks are tightening lending requirements, putting greater pressure on equity. Farm bankruptcies are on the rise. And low commodity prices and other market challenges continue to put family farmers and ranchers' economic security at risk.

Recent actions by the Trump administration and the president himself have increased family farmers' financial challenges. In the past month, the president has further escalated the on-going trade war with China while granting exemptions to big oil companies from meeting federal biofuels requirements—actions that further weaken both international and domestic markets for U.S. farm goods.

In 2016, China was the leading export market for U.S. agricultural products, accounting for more than 15 percent of total farm exports. U.S. agricultural exports to China have fallen by more than half due to the on-going trade war. In addition to losing the Chinese market, U.S. trading actions have needlessly alienated other U.S. trading partners--friends and allies who could have been helpful in forcing China to curb its trade distorting behaviors. This will have long-term effects. America's reputation as a reliable trading partner could be permanently damaged, and U.S. farmers and ranchers may never regain the market share they once held in China and elsewhere.

Meanwhile, family farmers are also being squeezed by decreased demand for biofuels following disappointingly low 2020 renewable volume obligations, and ongoing misappropriation of Renewable Fuels Standard small refinery waivers to big oil companies. As a result of these actions by the Trump administration, corn and biofuels prices have crashed and numerous ethanol plants have shut down while many more have cut production, leading to thousands of jobs lost in rural America. Ensuring the long-term vitality of domestically produced biofuels is not just important to farmers, but is a key component of a climate friendly, energy secure future for the United States.

On behalf of nearly 200,000 member farmers and ranchers across the country, National Farmers Union's Board of Directors urges the administration to work to rebuild both international and domestic markets for U.S. farmers and ranchers. The president's erratic and destructive actions must end. All countries must be treated with respect and dignity and America's reputation as a reliable trading partner must be restored. Further, actions that have undermined the RFS must be rectified.

Until these actions are corrected and the markets rebound, we urge the administration to work with Congress to fundamentally reform and significantly strengthen the existing farm safety net.