

HOW THE USMCA BENEFITS U.S. BEEF

The U.S.-Mexico-Canada Agreement (USMCA) maintains open markets and science-based trade in North America, while rejecting the failed trade policies of the past.



Open markets

- USMCA preserves duty-free, unrestricted access to Canada and Mexico – worth roughly \$1.8 billion in sales annually.



Science-based trade

- U.S. beef exports flourish when trade standards are based on science, not the whims of foreign governments.



No failed policies

- Failed policies like mandatory country-of-origin labeling (MCOOL) were excluded from USMCA and should not be restored. MCOOL harmed U.S. cattle producers, violated WTO rules, and did not improve food safety.

USMCA AND GLOBAL EXPORTS

Unrestricted, duty-free trade under USMCA will continue to allow U.S. cattle and beef producers to capitalize on growing demand in lucrative markets in Canada, Mexico, and around the world.

WORLD
\$8.3 billion
 Total U.S. beef exports in 2018 – a record for the U.S. beef industry.

- **U.S. exports account for \$323 per head of fed cattle**
- **Exports to Canada and Mexico alone account for \$70 per head**

CANADA

35 M 12 M head

\$745 M U.S. beef exports to Canada in 2018

+106% Increase in U.S. beef exports to Canada under NAFTA

U.S.A.

326 M 94 M head

26.2 B lbs Total domestic beef production in 2017

2.9 B lbs Total beef imports in 2017 (~11% of total)

~2 percent Amount of foreign-born cattle in the U.S. cow herd. Live cattle imports from Mexico and Canada avg. 2 M head annually, with fluctuation based on drought and market conditions.

MEXICO

131 M 17 M head

\$1.06 B U.S. beef exports to Mexico in 2018

+545% Increase in U.S. beef exports to Mexico under NAFTA



National Cattlemen's
Beef Association

April 3, 2019

The Honorable Nancy Pelosi
Speaker

U.S. House of Representatives
U.S. Capitol H-232
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader

U.S. House of Representatives
U.S. Capitol H-204
Washington, DC 20510

The Honorable Mitch McConnell
Senate Majority Leader

United States Senate
U.S. Capitol S-230
Washington, DC 20510

The Honorable Charles E. Schumer
Senate Minority Leader

United States Senate
U.S. Capitol S-221
Washington, DC 20510

Dear Congressional Leaders:

On behalf of the National Cattlemen's Beef Association (NCBA), the oldest and largest national association of America's cattlemen and cattlegrowers, I strongly urge you to support the swift ratification of the U.S.-Mexico-Canada Agreement (USMCA). For over twenty-five years the U.S. beef industry has benefited from unrestricted, duty-free access to Canada and Mexico under the North American Free Trade Agreement (NAFTA). In 2018, U.S. beef exports to Canada and Mexico totaled \$1.8 billion, adding \$70 per head and delivering value to every level of the production chain. We recognize there are areas of NAFTA that should be updated to reflect the needs of our twenty-first century economy, and we believe USMCA accomplishes these goals, but for the U.S. beef industry, it is very difficult to improve on zero tariffs, zero quotas, and science-based standards. NCBA is pleased that USMCA makes no major changes to the market access provisions that have made the U.S. beef and cattle industry a powerhouse in North America.

As the voice of the U.S. beef industry, NCBA strongly encourages you to oppose efforts to re-instate failed policies of the past such as mandatory country-of-origin labeling (MCOOL). MCOOL is not a new idea that will help ranchers and protect consumers, it was a failed government-run marketing program that was repealed in 2015. This grand idea was sold as a food safety mechanism, but it did nothing to improve food safety and protect consumers. We were also promised that MCOOL would deliver higher cattle prices and drive consumer demand, but that never happened. The truth is MCOOL cost the U.S. beef industry hundreds of millions of dollars to implement, MCOOL violated international trade laws nearly resulting in \$1 billion in retaliatory tariffs, and the vast majority of consumers never paid attention to it. Our industry has suffered enough with this bad idea and we do not need to relive the sins of the past.

The U.S. beef industry has invested heavily in developing a strong consumer base in Canada and Mexico, and we cannot afford to jeopardize our competitive advantage with any unnecessary trade barriers. USMCA is a great trade deal, and we need Congress to act soon and ratify the USMCA so that we can continue to capitalize on the North American consumer base that has made us a true success story.

Sincerely,

A handwritten signature in black ink that reads "Jennifer B. Houston". The signature is written in a cursive, flowing style.

Jennifer Houston
President

