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STATE REPRESENTATIVE • 70TH ASSEMBLY DISTRICT

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Requesting Swift Passage of the USMCA

Earlier this month, my Republican colleagues on the Assembly Committee on Agriculture and I submitted a letter of support to the entire Wisconsin Congressional Delegation requesting their support in passing the United States-Mexico-Canada Agreement (USMCA) as soon as possible. If you're not familiar, the USMCA is a renegotiation of the North American Free Trade Agreement (NAFTA). According to the Office of the United States Trade Representative, agreement highlights include:

- Creating a more level playing field for American workers, including improved rules of origin for automobiles, trucks, other products, and disciplines on currency manipulation.
- Benefits American farmers, ranchers, and agribusinesses by modernizing and strengthening food and agriculture trade in North America.
- Supports a 21st Century economy through new protections for U.S. intellectual property, and ensures opportunities for trade in U.S. services.
- New chapters covering Digital Trade, Anticorruption, and Good Regulatory Practices, as well as a chapter devoted to ensuring that Small and Medium Sized Enterprises benefit from the Agreement.

Directly related to agriculture and the dairy industry, as stated in the letter itself, here in Wisconsin we've seen all too clearly in recent years how under the current NAFTA framework, Canadian agricultural policies can hurt Wisconsin farmers. In 2017, Canada's milk class 7 directly resulted in Grassland Dairy dropping 75 Wisconsin dairy farm families. Thankfully, under the USMCA, Canada's milk classes 6 and 7 will be eliminated, opening up markets for Wisconsin's dairy producers.

Quick passage of the USMCA is also important for Wisconsin farmers because it updates NAFTA for the 21st century. Farmers know that staying up on changing technology is vital to surviving in the agriculture industry. The USMCA addresses new advances in agricultural biotechnology and establishes modern sanitary and phytosanitary standards.

I was fortunate to recently be appointed to the Council of State Governments Agricultural and Natural Resources Committee. They recently held their annual meeting in Chicago and I had the opportunity to attend. The USMCA was an important topic of interest, and I had the chance to learn quite a bit.

For example, I had the chance to listen to a presentation from a gentleman named Scott Miller, who is a Senior Advisor at the Center for Strategic and International Studies, a nonprofit policy research organization based in Washington, D.C. He stated that two thirds of global trade takes place between the United States, Canada, Mexico, China, Japan, and the EU. He also emphasized how European



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countries benefit when the U.S. is hampered by agreements that limit trading partners and relationships.

In addition, I got the chance to hear from Ms. Shannon Herzfeld, Corporate Vice President at the Archer Daniels Midland Company, a global food processing and commodities trading corporation headquartered in Chicago that works in 160 countries and handles about one half of U.S. commodities traded to China and one third of global commodities traded in the world. Ms. Herzfeld stated that making the USMCA a priority for passage will be good for agriculture. She shared some information on how updated rules under the agreement will improve processes related to held or delayed transport of perishable exports. She also shared some thoughts on how she believes the USMCA creates better access for goods the U.S. sends into Canada, especially for dairy and alcohol products, and the importance of recognizing the value of U.S. dairy and corn exports. It was great to have the chance to hear from professionals that regularly work on a global scale and those that regularly analyze global trade policy, in addition to getting the chance to speak with and hear thoughts from fellow legislators with rural and agriculture interests all throughout the Midwest.

The biggest reason I'm supportive of the agreement is because passage of the USMCA will be good for our economy. In 2017, Wisconsin exported over \$10 billion worth of goods to Canada and Mexico. Removing existing barriers and modernizing NAFTA with the USMCA will allow for that number to be even higher in future years, leading to more jobs here at home. The International Trade Commission estimates the USMCA would increase agricultural and food exports, adding an additional \$2.2 billion to the U.S. economy. This will add to the nearly 12% of the Wisconsin workforce already working in the agriculture and food processing sector today.

The USMCA is an agreement that involves appropriations, therefore it must first be taken up and put to a vote by Speaker Nancy Pelosi's House of Representatives. All members of the Assembly Agriculture Committee had the opportunity to show their support for the agreement on the letter that was submitted to our Congressional Delegation and I wish we could have had bipartisan support at the state level. I hope that there is the ability to find bipartisan consensus at the federal level to pass the agreement as soon as possible. That's what's important.

Nancy VanderMeer represents the 70th Wisconsin State Assembly District, which includes portions of Monroe, Jackson, Portage and Wood counties.