THE TRANS-PACIFIC PARTNERSHIP

Working for

THE UNITED STATES

American Farm Bureau Federation estimates that annual net farm income will increase by $4.4 billion, driven by an increase of direct U.S. agricultural exports of $5.3 billion per year upon full implementation of the TPP agreement as compared to a scenario in which the U.S. fails to pass the agreement while the remaining member countries proceed apace.

It is estimated that increased marketing opportunities for U.S. farmers and ranchers will add more than **40,100** jobs to the U.S. economy. Eliminating tariffs and other trade barriers on United States' agricultural exports to TPP-partner countries will increase trade for a range of U.S. agricultural products, including **beef, pork, fruits and nuts, vegetables, soybeans, poultry, dairy, rice, cotton and processed food products**. Export sales make an important contribution to the U.S. farm economy, which had total cash receipts of $421.5 billion in 2014.

GAINS FROM FULL TPP IMPLEMENTATION

UNITED STATES

Agricultural Product	Cash Receipts	Net Exports
Corn	680.4	-91.1
Soybeans and Products	529.7	297.0
Wheat	37.1	-16.7
Cotton	21.0	25.2
Rice	46.1	90.1
Fruits and Nuts	825.7	734.9
Vegetables	471.3	419.5
Beef	1,136.7	1,048.3
Pork	1,091.9	939.6
Poultry	628.0	169.0
Dairy	275.3	131.2
Other Ag	2,716.1	1,565.5
TOTAL	**8,459.3**	**5,312**

Million $USD

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Corn: The United States' corn industry produced $54.6 billion in cash receipts in 2014. As a result of TPP, United States' net trade of corn declines slightly by $91.1 million, but overall use domestic increases and corn cash receipts rise to $680.4 million as higher feed use is needed to provide for the additional beef and pork exports, rather than being exported as raw commodities.

- Japan's corn for feed tariff-rate quota (TRQ) will be maintained and have zero duty.
- Corn for industrial use will establish a quota of 3.75 million tons and be duty free, while outside of the quota, Japan's tariff will be 50 percent.
- Malaysia's corn tariffs will be 0 percent.
- Vietnam's corn tariffs, as high as 30 percent, will be eliminated in 4-7 years.
- New Zealand's corn tariffs will be eliminated immediately.
- Brunei's corn tariffs will be eliminated immediately.

Soybeans: The United States' soybean industry produced $40.9 billion in cash receipts in 2014. TPP passage is expected to increase soybean cash receipts by $529.7 million per year, which is driven by a $297 million per year increase in direct exports to TPP countries.

- Japan's soybean meal tariffs, currently as high as 4.2 percent, will be eliminated immediately.
- New Zealand's soybean tariffs will be 0 percent.
- Brunei's soybeans tariffs will be eliminated immediately.

Wheat: The United States' wheat industry produced $12.6 billion in cash receipts in 2014. As a result of TPP, United States' net trade of wheat declines slightly by $16.7 million, but overall use domestic increases and wheat cash receipts rise to $37.1 million as higher feed use is needed to provide for the additional beef and pork exports, rather than being exported as raw commodities.

- Japan will have a new country-specific quota (CSQ) exclusively for U.S. wheat, which start at 114,000 tons and grows to 150,000 tons over 7 years.
- Japan will establish duty free access for feed wheat outside the World Trade Organization (WTO) tariff-rate quota (TRQ) of 5.7 million tons. Inside the TRQ, the mark-up on feed wheat will be reduced by 45 percent over 9 years.
- Malaysia's wheat tariffs, as high as 7 percent, will be eliminated immediately.
- Vietnam's wheat tariffs, as high as 35 percent, will be eliminated in 4 years.
- New Zealand's wheat tariffs will be eliminated immediately.
- Brunei's wheat tariffs will be eliminated immediately.

Cotton: The United States' cotton industry produced $7.2 billion in cash receipts in 2014. TPP passage is expected to increase cotton cash receipts by $21 million per year, which is driven by a $25.2 million per year increase in direct exports to TPP countries.

- Japan's cotton tariffs will remain at 0 percent.
- Malaysia's cotton tariffs will be 0 percent.

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- Vietnam's cotton tariffs, as high as 10 percent, will be eliminated in 4 years.
- New Zealand's tariffs on all cotton products will be 0 percent.
- Brunei's tariffs on all cotton products will be 0 percent.

Rice: The United States' rice industry produced $3.6 billion in cash receipts in 2014. TPP passage is expected to increase rice cash receipts by $46.1 million per year, which is driven by a $90.1 million per year increase in direct exports to TPP countries.

- Japan will have a new country-specific quota (CSQ) for rice that starts at 50,000 tons and grows to 70,000 tons over 13 years.
- Malaysia's rice tariffs, as high as 15-40 percent, will be eliminated in 11 years and maintain duty free during this time.
- Vietnam's rice tariffs at 40 percent will be eliminated immediately.
- New Zealand's rice tariffs will be 0 percent.
- Brunei's rice tariffs will be eliminated immediately.

Fruits and Nuts: The United States' fruits and nuts industry produced $31.6 billion in cash receipts in 2014. TPP passage is expected to increase fruits and nuts cash receipts by $825.7 million per year, which is driven by a $734.9 million per year increase in direct exports to TPP countries.

- Japan's tariffs of 8.5 percent on fresh cherries will be immediately reduced to 4.25 percent and then completely eliminated in 6 years.
- Fresh apple tariffs of 17 percent will be immediately reduced to 12.75 percent and completely eliminated in 11 years.
- Fresh pear tariffs of 4.8 percent will be eliminated immediately.
- Japan's grapes, avocados, strawberries, raspberries, blueberries, cranberries, kiwifruit, watermelon, pomegranates, and papaya tariffs as high as 17 percent will be eliminated immediately.
- Japan's orange tariffs from 16-32 percent will be eliminated in 6-8 years.
- Japan's remaining fresh fruit tariffs as high as 17 percent will be eliminated within 11 years.
- Malaysia's tariffs as high as 5 percent on fresh cherries, apples, and pears will be eliminated immediately.
- Malaysia's grapes, raisins, melons, dates, figs, peaches, plums, and strawberry tariffs as high as 30 percent will be eliminated immediately.
- Malaysia's grapefruit and lemon tariffs of 5 percent will be eliminated immediately.
- Vietnam's tariffs as high as 10 percent on fresh cherries, apples, and pears will be eliminated within 3 years.
- Vietnam's grapes, raisins, melons, dates, figs, peaches, plums, and strawberry tariffs as high as 30 percent will be eliminated within 3 years.
- Vietnam's fresh orange tariffs of 20 percent will be eliminated in 4 years.

U.S. AGRICULTURE

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- Vietnam's fresh grapefruit tariffs of 40 percent will be eliminated in 3 years.
- Vietnam's fresh lemon tariffs of 20 percent will be eliminated in 3 years.
- New Zealand's tariffs on fresh fruit will be eliminated immediately.
- Brunei's tariffs on fresh fruit will be eliminated immediately.
- Japan's nut tariffs from 2.4-10 percent will be eliminated immediately.
- Malaysia's nut tariffs as high as 20 percent will be eliminated immediately.
- Vietnam's nut tariffs as high as 35 percent will be eliminated immediately.
- New Zealand's nut tariffs will be eliminated immediately.
- Brunei's nut tariffs will be eliminated immediately.

Vegetables: The United States' vegetable industry produced $20.7 billion in cash receipts in 2014. TPP passage is expected to increase vegetable cash receipts by $471.3 million per year, which is driven by a $419.5 million per year increase in direct exports to TPP countries.

- Japan's broccoli, frozen sweet corn, fresh tomatoes, fresh celery, fresh asparagus, cabbage, lettuce, chickpeas, garlic, and shallot tariffs as high as 17 percent will be eliminated immediately.
- Japan's sweet corn tariffs of 6 percent will be eliminated within 4 years.
- Japan's fresh onion tariffs, which are 8.5 percent and price variable, will be eliminated within 6 years.
- Malaysia's fresh vegetable tariffs, as high as 90+ percent, will be eliminated immediately.
- Vietnam's fresh vegetable tariffs, as high as 40 percent, will be eliminated within 11 years.
- New Zealand's tariffs on fresh vegetables will be eliminated immediately.
- Brunei's tariffs on fresh vegetables will be eliminated immediately.

Beef: The United States' beef industry produced $81.3 billion in cash receipts in 2014. TPP passage is expected to increase beef cash receipts by $1.1 billion per year, which is driven by a $1 billion per year increase in direct exports to TPP countries.

- Japan will eliminate 74 percent of duties on beef imports within 16 years. This includes reducing a tariff of 38.5 percent to 9 percent within 16 years on fresh, chilled, and frozen beef cut. The World Trade Organization safeguard will also be replaced by the TPP-wide safeguard, which is predicted to be less trade-limiting.
- Japan's beef offal tariffs as high as 21.3 percent will be eliminated in 6-16 years.
- Malaysia's tariffs on imports of beef will be eliminated.
- Vietnam's tariffs as high as 34 percent on beef, will be eliminated in 3-8 years.
- New Zealand's tariffs as high as 5 percent on beef, will be eliminated immediately.

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Pork: The United States' pork industry produced $26.4 billion in cash receipts in 2014. TPP passage is expected to increase pork cash receipts by $1.1 billion per year, which is driven by a $939.6 million per year increase in direct exports to TPP countries.

- Japan's tariff reduction will eliminate 65 percent of tariff lines in 11 years and 80 percent of tariff lines in 16 years on pork tariff lines.
- Malaysia's tariffs on pork will be 0 percent, in addition to having authorization and import permits for automatic U.S. pork and pork product imports.
- Pork, which currently faces tariffs as high as 30 percent in Vietnam, will be eliminated in 5-10 years.
- Vietnam's frozen cuts and shoulder tariffs will be eliminated within 8 years.
- Vietnam's preserved pork, fresh pork cuts and shoulders, and fresh and frozen cuts tariffs will be eliminated within 10 years.
- New Zealand's frozen swine cut tariff will be eliminated in 2 years.
- Brunei's tariffs on pork will be eliminated immediately.

Poultry: The United States' poultry industry produced $48.3 billion in cash receipts in 2014. TPP passage is expected to increase poultry cash receipts by $628 million per year, which is driven by a $169 million per year increase in direct exports to TPP countries.

- Japan will eliminate tariffs as high as 21.3 percent on all poultry in 6-13 years.
- Japan's 3 percent tariff on turkey and turkey offal will be eliminated immediately.
- Japan will eliminate tariffs on egg yolks, which currently face a tariff as high as 20 percent. Egg albumin tariffs, as high as 8 percent, will be eliminated immediately.
- Malaysia will have a growing tariff-rate quota (TRQ) and an in-quota tariff of 0 percent for live chicks, poultry meat, and eggs.
- Vietnam's tariffs as high as 40 percent on poultry and poultry meat, will be eliminated within 13 years.
- Frozen chicken cuts and offal, which have tariffs as high as 40 percent in Vietnam, will be eliminated within 11 years.
- New Zealand's tariffs on poultry will be eliminated immediately.
- Canada will have a duty-free, growing tariff-rate quota (TRQ) for chicken, turkey, eggs, egg products, and hatching eggs and chickens.

Dairy: The United States' dairy industry produced $49.3 billion in cash receipts in 2014. TPP passage is expected to increase dairy cash receipts by $275.3 million per year, which is driven by a $131.2 million per year increase in direct exports to TPP countries.

- Japan's cheese tariffs as high as 40 percent, will be eliminated in 16 years.
- Japan's tariffs on whey will be eliminated, while establishing safeguards for whey powder, which will be terminated within 18 years. Whey protein concentrate will be terminated within 24 years.
- Japan's whey for food tariffs, which currently face tariffs as high as 29.8 percent, will be eliminated in 21 years.

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- Malaysia's dairy product tariffs as high as 5 percent, will be eliminated immediately.
- Vietnam's tariffs of 20 percent on cheese, milk powder, and whey will be eliminated immediately.
- New Zealand's tariffs on dairy products will be eliminated immediately.
- Brunei's tariffs on dairy products will be eliminated immediately.
- Canada's 208 percent tariff on whey powder will be eliminated over 10 years and will have duty-free, growing tariff-rate quota (TRQs) during that time.
- Canada will have duty-free, growing tariff-rate quotas (TRQs) for all other dairy products including butter, fluid milk, cheese, low-fat powders, concentrate milk, whey powder, whole milk powder, cream powder, cream, powdered buttermilk, and natural milk constituents.

Processed Food and Fish: In 2014, the United States exported $25.5 billion worth of processed foods to TPP countries, which accounted for more than 20% of total agricultural exports to the region. Processed foods include a wide variety of products. A non-exhaustive list of products includes: pastas, cookies, cookie mixes and doughs, breads, beverages, sugar products, chewing gum, prepared foods, dog and cat food, and cocoa products.

Despite significant exports, U.S. food manufacturers face significant tariff and non-tariff barriers in TPP countries. As a result of TPP, tariffs on processed foods are set to decrease quickly, providing additional opportunities for increased sales. The value of these increased export opportunities are largely outside of this model. The model estimates additional demand for commodities as ingredients in processed foods, however it is largely known that only 17.4% of the total cost of processed food is attributable to ingredients. The result is that our analysis only captures the farm value of increased processed food sales with the total value of increased exports expected to be significantly larger.

Tariffs on processed foods and beverages range widely. In Japan the simple average tariffs on processed foods and beverages are 37% and 12%, respectively. Tariffs as high as 26% on biscuits, cookies, crackers and other bread will be eliminated in 6 years. In Vietnam the simple average tariffs on processed foods and beverages are 18% and 51%, respectively. The important products of cookies, crackers, biscuits, breads, and starches tariffs as high as 55 percent will be eliminated in 8 years. Finally, in Malaysia the simple average processed food tariff is fairly low at 5%, yet many products face tariffs as high as 25%.

The most important element of increased processed food exports will be the impact on employment. According to the 2012 Census, more than 1.4 million Americans were employed in food manufacturing facilities. Increased market access for U.S. processed food and beverage products will increase U.S. employment opportunities.