

-- TESTIMONY--
U.S. House Committee on Ways and Means, Subcommittee on Trade
Russell Boening, President, Texas Farm Bureau
Wednesday, November 20, 2019
10:00 a.m.
2020 Rayburn House Office Building

Chairman Blumenauer, Ranking Member Buchanan, and members of the subcommittee,

My name is Russell Boening. My family and I live in Poth, Texas where we make our living farming and ranching. We run a 450-cow dairy and have a beef cattle operation. We also grow wheat, cotton, feed grains and watermelons.

I currently serve as President of the Texas Farm Bureau. I'm also on the American Farm Bureau Federation's Board of Directors and chair the AFBF Trade Advisory Committee.

International trade plays a critical role in the success of the U.S. economy. Farm and ranch families see the benefits of trade daily as they work hard to plant, grow, harvest and market their products.

In 2018, U.S. food and agricultural exports totaled a staggering \$145 billion and supported more than one million jobs.

U.S. farmers and ranchers export nearly \$13 billion a year in agricultural products to Japan, making it the fourth-largest export destination for American farm and ranch goods.

Trade with Japan is extremely important to the lone star state. In 2018 alone, Texas exported more than \$216 million of beef products; \$35 million of grain sorghum; and over \$2.4 million of pork and dairy products.

For the U.S., trade with Japan is vitally important. In 2018, the U.S. exported over \$2.1 billion of beef; \$1.6 billion of pork; and millions of dollars of other ag products to Japan.

While we have a strong trading relationship with Japan, we are about to make substantial advances. The new U.S.-Japan trade agreement was welcome news for farm and ranch families across the entire country. This agreement will level the Japanese trade playing field and open markets around the world for American farm and ranch families.

This bilateral agreement keeps intact essentially all the trade benefits the United States would have gained in Japan under the Trans-Pacific Partnership.

According to the USDA, out of the \$14.1 billion in U.S. food and agricultural products imported by Japan in 2018, \$5.2 billion were already duty free. Under this agreement, Japan will eliminate or reduce tariffs on an additional \$7.2 billion of U.S. food and agricultural products.

I am proud this agreement will help Texas and U.S. beef producers. Implementation will allow our country to obtain market access equal to CP-TPP countries. Tariffs for fresh, chilled and frozen beef will be reduced from 38.5 percent to 9 percent in 15 years. Japan will also eliminate tariffs on processed beef products. This benefits the American cattleman and also Japanese consumers who are currently paying more to enjoy our beef.

Japan is the United States' largest export market for pork. It has been estimated by an economist at Iowa State University that pork exports to Japan will grow from \$1.6 billion to more than \$2.2 billion over the next 15 years as a result of the increased market access and future elimination of tariffs.

Japan is already our country's fifth largest export market for dairy products, with exports of over \$290 million. Under this agreement, Japan's 40 percent cheese tariffs will be eliminated in 15 years.

Tariffs will be immediately eliminated on over \$1.3 billion of U.S. farm products including, almonds, blueberries, cranberries, sweet corn, grain sorghum and more. For other products valued at \$3 billion, tariffs would be eliminated over several years. This includes wine, ethanol, frozen poultry, processed pork, and more.

It is obvious the U.S.-Japan Trade Agreement is a win, however the U.S. must pursue the next phase of negotiations with Japan. Not all agricultural products, such as rice and some dairy products, were included in this agreement. We must work toward additional market access. Sanitary, phytosanitary and biotechnology issues should also be addressed.

As hardworking farm and ranch families face much uncertainty, a fully comprehensive trade agreement with Japan is desperately needed. We appreciate the Administration and other leaders in Washington who continue striving for more free and fair trade.

Lastly, but perhaps most importantly - the U.S.-Mexico-Canada Agreement must be ratified now. This robust trade agreement would tremendously benefit U.S. farmers, ranchers, businesses and many other sectors contributing to our economy.

The American people have waited far too long for USMCA to be passed. I urge Congressional leaders to take action.

Thank you again for inviting me here to testify. I am happy to answer any questions.

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