AMERICAN FARM BUREAU FEDERATION®
600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024
ph. 202.406.3600
f. 202.406.3602
www.fb.org

North American Free Trade Agreement (NAFTA)

Issue:

A negotiation with Canada and Mexico over elements of NAFTA must consider the impacts upon U.S. agricultural trade. Implemented in 1994, NAFTA has removed barriers to intraregional trade, including agricultural products traded between Mexico and the U.S. and most agricultural products traded between the U.S. and Canada. Agricultural exports from the U.S. to Canada and Mexico have increased from $8.9 billion in 1993 to $38 billion in 2015. Any renegotiation must protect the gains achieved in agricultural trade and work to remove remaining barriers to trade with Canada and Mexico.

Background:

NAFTA is a comprehensive economic and trade agreement that establishes a free-trade area between the U.S., Canada and Mexico. Tariff elimination between the United States and Canada did not extend to Canadian imports of dairy and poultry products. Tariff-rate quotas (TRQs) for these products were established in order to comply with WTO requirements. Tariffs were eliminated for all products between the U.S. and Mexico.

NAFTA also requires that food safety standards be scientifically based, nondiscriminatory and transparent. A dispute settlement system is included in the agreement, including mechanisms for resolving countervailing and antidumping duty issues.

Issues with Canada include quotas and tariffs on dairy and poultry products and the classification of U.S. wheat exports. Mexico and Canada also have issues they will want to revisit in any negotiations.

Status:

Negotiations on NAFTA modernization will begin after August 16, 2017.

AFBF Policy:

Farm Bureau policy supports the U.S. government acting to protect U.S. agricultural interests in NAFTA.

Contact: Dave Salmonsen, 202-406-3665, davids@fb.org; Veronica Nigh, 202-406-3622, veronican@fb.org.