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## **U.S.-Japan Trade Agreement**

### Issue:

The U.S. - Japan Agreement goes into effect on January 1, 2020. Tariffs on U.S. agricultural exports will be reduced to the same level as those of other nations, such as the CPTPP countries and the European Union, that already have preferential trade agreements with Japan. Additional tariff reductions in the agreement will take place from these reduced tariff levels.

### Background:

Japan is our fourth-largest agricultural export destination, with \$12.7 billion in sales in 2018. While Japan is a top market for U.S. agricultural exports of wheat, corn, soybeans, beef and pork, it also has had many restrictive policies in place against some U.S. agricultural products.

According to the trade agreement Japanese tariffs on U.S. beef will be reduced from the current 38.5 percent to 9 percent over 15 years. Tariffs on other products, such as pork, some dairy products, fruits and vegetables, will be reduced or eliminated.

The CPTPP (Comprehensive and Progressive Trans Pacific Partnership) countries include: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The original U.S. negotiating objectives for the talks include the reduction and elimination of tariff and non-tariff barriers; also included are added enforcement mechanisms for Sanitary/Phytosanitary regulations, disciplines for enacting science-based food safety standards and limits on the use of geographic indications in product labeling. These non-tariff barrier objectives will be pursued, along with tariff reduction or elimination for additional dairy products and for rice, in a 'Phase 2' negotiation that is set to begin in May 2020.

### Status:

The U.S.-Japan Agreement is effective on January 1, 2020.

### AFBF Policy:

Farm Bureau supports the U.S.-Japan Agreement. Farm Bureau also supports continuing the negotiations with Japan to reach agreement on remaining issues important to agricultural trade.

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