

Measuring the Economic Impact of the U.S.-Mexico-Canada Agreement (USMCA)

About the International Trade Commission (ITC) Report

This report is required under the Bipartisan Trade Priorities and Accountability Act of 2015, known as Trade Promotion Authority, or TPA.

Measuring the economic impact of USMCA is unlike anything the ITC has been asked to do regarding other trade agreements because typical ITC reports examine new trade agreements, not changes to existing trade agreements.

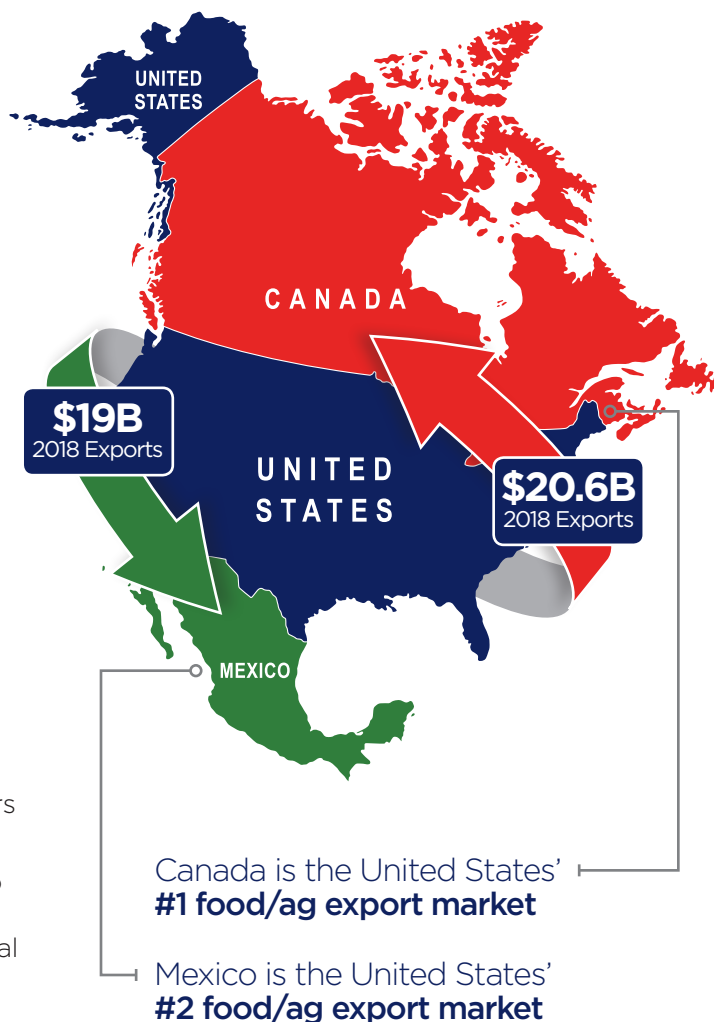
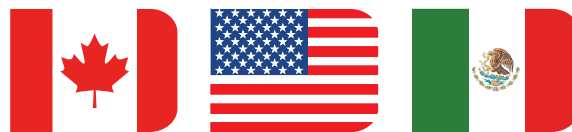
- The USMCA is a successor to the 25-year-old North American Free Trade Agreement (NAFTA);
- NAFTA eliminated all Mexican tariffs on U.S. exports;
- NAFTA and its predecessor, the U.S.-Canada Free Trade Agreement, eliminated Canadian tariffs on approximately 99 percent of all U.S. exports; and
- USMCA's changes to NAFTA relate to trade rules, not tariffs (since there are virtually no tariffs under NAFTA) – areas that are more difficult for the ITC to quantify.

What USMCA Does for U.S. Food and Agriculture Producers

- Further strengthens the United States' highly productive and integrated agricultural relationship with its North American partners;
- Includes new chapters, provisions and enforcement mechanisms to ensure and expand Canadian and Mexican market access, and prevent arbitrary barriers to our exports; and
- Creates more Mexican consumers with the means to buy U.S. food and agriculture exports by addressing wage disparities and requiring higher wages in critical sectors.

America Needs USMCA Ratification Now

- Uncertainty about NAFTA's future threatens the North American market integration that has created and supports jobs for many U.S. food and agriculture producers;
- USMCA ratification is a critical step to facilitate productive negotiations with other key trading partners, including Japan, the European Union and the United Kingdom.



The Big Picture: What NAFTA and USMCA Mean for U.S. Food and Agriculture Producers

We know NAFTA has delivered on its promise of more opportunity for U.S. food/agriculture:

- Tariff-free trade for virtually all U.S. food and agriculture exports to Canada and Mexico.
- Incredible growth in U.S. food and agriculture exports to Canada and Mexico, from \$8 billion in 1993 to \$40 billion last year, accounting for more than 28 percent of U.S. food and agriculture exports.

USMCA Matters for Every State

Top U.S. agricultural exports to Canada and Mexico in 2018:



About the U.S. Food & Agriculture Dialogue for Trade

The U.S. Food and Agriculture Dialogue for Trade consists of a broad cross-section of over 200 U.S. food and agricultural companies and associations engaged in and supporting America's farms, ranches and related businesses.

