INTERNATIONAL TRADE

Metal Tariff Resolution: Mexico
Mexico’s retaliatory tariffs on U.S. pork, imposed after the United States imposed duties on Mexican steel and aluminum imports, have had a prolonged negative impact on the American hog farmers. From July to September 2018, exports to Mexico declined $61 million from the same period a year ago. According to Dr. Dermot Hayes of Iowa State University, Mexican retaliation is costing individual pork producers $12 per animal or $1.5 billion on an annualized basis across the industry.

Position: It is imperative that the United States remove tariffs on Mexican metal imports so that its punitive tariffs of 20 percent on U.S. pork are removed. Because it is vulnerable to retaliation by Canada, a top five U.S. pork export market, NPPC is also calling for the immediate removal of U.S. tariffs on Canadian metal imports.

Japan Trade Agreement
U.S. pork market share in Japan, the industry’s largest value market in 2017, is in jeopardy as competitors – including the European Union, Canada and Chile – will soon reap the benefits of trade agreements with Japan that will take effect in 2019.

Position: NPPC urges the United States to expeditiously initiate bilateral free trade agreement (FTA) negotiations with Japan. U.S. pork exports to Japan would be significantly higher in the absence of its complex system of pork import protections commonly referred to as the “gate price system.”

USMCA
U.S. pork is heavily dependent on zero duty market access to Canada and Mexico. The U.S.-Mexico-Canada Trade Agreement (USMCA) preserves zero-duty market access and eliminates market uncertainty through elimination of non-tariff barriers. Exports to Mexico and Canada were $1.5 billion and $792 million, respectively, in 2017. Unfettered access to these markets supports 19,000 U.S. jobs, primarily in rural America.

Position: Congress must expeditiously ratify the U.S.-Mexico-Canada trade agreement to allow the U.S. pork industry to maintain zero-duty market access to two of its largest export markets.

China Trade Dispute Resolution
U.S. pork currently faces Chinese tariffs of more than 70 percent in retaliation for U.S. tariffs on China metal as well as intellectual property sanctions. While NPPC recognizes the complexity and wide range of interests to be balanced in the United States’ efforts to redefine its trading relationship with China, U.S. pork is suffering serious financial loss as it faces severely restricted access to the world’s largest pork-consuming nation. According to Dr. Dermot Hayes of Iowa State University, Chinese retaliation is costing individual pork producers $8 per animal or $1 billion on an annualized basis across the industry.

Position: We urge the Trump administration to resolve the trade dispute with China so competitive access to a critical U.S. pork export market is restored.
**European Union Trade Negotiations**
The administration and EU have announced plans to initiate trade discussions.

Position: NPPC support for an EU trade agreement is contingent on 1) elimination of tariff and non-tariff barriers in line with the free trade agreements it has with 20 other nations and 2) recognition of the equivalence of U.S. pork production practices and the acceptance of imports from all USDA approved facilities.

**United Kingdom Trade Negotiations**
The United States and U.K. have expressed intent to negotiate a trade agreement.

Position: NPPC will support a free trade agreement with the United Kingdom if it is willing to drop all tariff and non-tariff barriers to U.S. pork exports and embrace Codex and other international production standards.

**Philippines Proposed Trade Talks**
The Administration is considering initiating FTA talks with The Philippines.

Position: NPPC strongly supports the initiation of FTA negotiations with The Philippines.

**Enhanced and Expanded Market Access**
While the United States exports pork to more than 100 countries, the pork sector faces many tariff and non-tariff barriers that prevent it from realizing its full potential in many of these markets. Enhanced or expanded access in markets such as Brazil, India, Thailand and South Africa is critical for U.S. pork.

Position: U.S. pork is highly dependent on exports and seeks the chance to compete on a level playing field in closed or restricted markets.

**ANIMAL WELL BEING AND FOOD SAFETY**

**Farm Bill Implementation**
The livestock industry achieved a major victory in the 2018 Farm Bill, including permanent and mandatory funding for initiatives surrounding animal disease preparedness and response. The majority of the mandatory funds are not allocated among the three primary initiatives: state block grants, laboratory diagnostics and vaccine banks.

Position: NPPC will remain actively engaged with the USDA to ensure that mandatory funds and potentially additional appropriated funds are put to most effective use.

**Regulation of Gene Edited Livestock**
The current FDA proposed regulatory framework for gene edited animals—regulating altered DNA as an animal drug—will effectively deny producers access to this promising technology and drive investments overseas. Regulatory reform is needed to foster investments in this technology and allow U.S. producers to remain globally competitive.

Position: Regulatory authority should be moved from the FDA to USDA/APHIS under the Animal Health Protection Act.
Regulation of Laboratory-Produced Cultured Protein
The administration’s plan for joint USDA FSIS/FDA oversight of laboratory-produced cultured protein must be finalized in a written framework that protects FSIS’s role as the final arbiter of processing and labeling requirements.

Position: FSIS should have final authority over the production and labeling of products manufactured from laboratory-produced cultured protein.

Implementation of the New Swine Inspection System
Modernization of the hog slaughter inspection process is critical to maximizing industry efficiency and ensuring that new food safety technologies can be rapidly implemented. FSIS will issue a final modernization rule in 2019 to much anticipated public scrutiny.

Position: NPPC supports the new swine inspection system.

2020 Dietary Guidelines for Americans
The role of animal protein in the American diet is supported by sound scientific data and should be respected both in the development and application of the 2020 Dietary Guidelines for Americans. The dietary guidelines process should not be a forum for broad discussions on food and agriculture policy. Instead, it should be limited to the statutory mandate to provide nutrition guidance.

Position: The 2020 Dietary Guidelines for Americans must be limited in scope to the provision of scientifically supportable nutrition guidance that respects fundamental role of animal protein in the American diet.

On-Farm Foodborne Illness Outbreak Investigations
Public health agencies, both federal and state, are increasingly asking for on-farm visits as part of epidemiological investigations of foodborne illness outbreaks. Because common sources of illnesses, such as salmonella, are environmentally ubiquitous, these investigations would yield little meaningful data while exposing producers to considerable liability.

Position: On-farm investigations of foodborne illness outbreaks should be limited to specific situations where meaningful information can be gathered (such as rare pathogens where on-farm controls are possible) and conducted in a way that protects producers’ livelihoods.

Antibiotic Resistance and Regulation
Antibiotics are an important tool for keeping pigs healthy and pork safe. Their use is under ongoing scrutiny as concerns over their potential impact on public health are raised by advocacy and public health groups. NPPC supports Guidance 213 and the veterinary feed directive (VFD) rule (no approved use of medically important antibiotics for growth promotion and the move to veterinary oversight for remaining allowed uses) and has committed significant resources to support implementation of these regulations. NPPC is fully committed to PQA Plus as the vehicle to develop and demonstrate antibiotic stewardship principles.

Position: The council believes: 1) it is essential to use science and risk assessment in further regulation of antibiotics, 2) that the prevention/prophylactic use of antibiotics is essential to protect animal health and welfare and must be preserved and 3) that engagement in development of international standards to assure that they are science based rather than based on the precautionary principle is essential to the US pork industry.
Foreign Animal Disease Prevention and Preparation
A foreign animal disease outbreak would devastate the pork industry by disrupting trade and halting the movement of pigs domestically. Successfully preventing and managing outbreaks requires close stakeholder collaboration and the appropriation of adequate funding to the USDA and FDA.

Position: USDA/APHIS, swine veterinarians and the industry must work together to address potential risks of disease, plan for effective control in the case of an outbreak and be prepared with a strategic plan for elimination of a foreign animal disease if it becomes endemic.

Emerging Diseases Preparedness and Response
Emerging diseases have the potential to cause significant losses to the U.S. pork industry. NPPC is committed to industry/government collaboration to prepare for and respond to emerging disease.

Position: Funding of the Swine Health Information Center has been essential and should continue to support the industry’s efforts to prevent emerging diseases.

Homeland Security and Border Protection
NPPC believes that the Department of Homeland Security (DHS), especially Customs and Border Protection (CBP), must be aware of and take appropriate steps to prevent the entry of potentially risky products to U.S. agriculture.

Position: DHS/CBP must work in close collaboration with the USDA and FDA to identify products of concern and interdict them. This can best be accomplished through adequate funding and close collaboration.

Other Public Health Issues
The influenza pandemic of 2009-2010 demonstrated the interconnectedness of animal production and public health, including the unintended consequences to producers. It is essential that public health agencies (CDC, FDA and USDA) work closely to identify risks to public health and respond when necessary.

Position: It is essential that risk and science-based approaches are adopted as the basis for recommendations and response.

LABOR, MARKET & PRODUCTION

Visa Reform
NPPC will work with the Agricultural Workforce Coalition and others to advocate for agricultural visa reform. This reform could take shape in the form of new programs or incremental changes to existing programs such as H-2A (more likely).

Position: NPPC supports visa system reform that provides agricultural employers with sustained access to year-round labor. The council supports reform that establishes a legal and productive workforce while not unduly burdening employers.

GIPSA Rulemaking
A U.S. Department of Justice attorney arguing on behalf of USDA announced the intent to reopen the GIPSA rulemaking process in the spring of 2019. NPPC will work with other farm organizations to ensure that any USDA rule does not restrict competition or marketplace innovation.
Position: NPPC opposes any regulation that restrict producers’ ability to sell and packers’ ability to buy livestock.

**Livestock Mandatory Reporting (MPR) Reauthorization**
Timely and accurate information is necessary for competitive markets to function effectively. The NPPC competitive markets committee will focus on recommended changes to the MPR program ahead of the 2020 reauthorization.

Position: NPPC supports timely reauthorization of the LMR Act.

**Commodities Futures Trading Commission (CFTC) Reauthorization**
NPPC will work with other farm associations to ensure agriculture is top of mind in any CFTC reauthorization, a top priority for House Ag Committee Chairman Peterson. Our efforts will focus on ensuring CFTC doesn’t adopt one-size-fits-all rules at the expense of smaller users of the derivatives markets.

Position: CFTC rules should address the interests of agriculture in the reauthorization process.

**Keep Food Affordable**
Anti-agriculture activist groups have made inroads in passing ballot initiatives and developing state regulations that undermine pork producer freedom to farm, introduce unwarranted costs, restrict marketplace access for conventional pork products and reduce consumer choice.

Position: These initiatives are preempted by federal law and otherwise in violation of the dormant commerce clause.

**Hours of Service**
Livestock haulers are responsible for the daily transportation of millions of animals. The welfare and safety of these animals, together with the safety of other drivers on the road, are the industry’s top priorities. Because livestock, such as pigs, are vulnerable to health issues triggered by temperature changes, long-established industry standards prohibit drivers from stopping while hauling animals. Based on concerns raised by the pork industry, along with other sectors of the transportation industry, the Department of Transportation (DoT) is looking to revise its Hours of Service (HoS) regulations to make them more practicable.

Position: Every day, livestock haulers balance the safety of the nation’s highways and the welfare and health of the animals in their custody. As DoT considers revisions to HoS regulations, it must recognize both responsibilities and develop rules for livestock haulers that do not compromise either.

**ENVIRONMENT AND ENERGY**

**Air Emissions Reporting**
The Air Emissions Consent Agreements were landmark milestones between the livestock sector and the U.S. Environmental Protection Agency. Under the agreements, pork producers and other livestock sectors agreed to fund a nationwide EPA study – the National Air Emissions Monitoring Study (NAEMS) – to better understand air emissions from livestock farms and to develop tools to help farmers ensure compliance with regulatory requirements associated with emissions. Under the Obama administration, EPA was unable to make any progress in its review of the substantial volume of data it received. The Trump administration has committed to finish this review and release draft emission estimating...
methodologies for the pork sector by the end of 2019. In the 10 years since the NAEMS study was completed, pork production practices and technologies have changed, likely reducing emissions.

Position: As it completes its review of the NAEMS data, the EPA must recognize industry advancements and their likely impact on emissions as it determines calculation recommendations.

**Waters of the U.S. (WOTUS) Rule**

After years of debate, the Obama administration issued its WOTUS rule in 2015, significantly expanding federal jurisdiction boundaries and infringing on the private property rights of farmers. This action undermined Congress’ intention to protect routine agricultural practices – such as planting and fertilizing crops - from being subject to unwarranted mandatory permitting, environmental regulation and activist attacks. Since President Trump issued an executive order directing the EPA to revise the rule shortly after taking office, three federal courts have stopped enforcement of the WOTUS rule in 28 states. In December 2018, the EPA proposed major revisions to the WOTUS rule that would restore protections for farmers and ranchers and protect private property rights.

NPPC position: The Trump administration must rescind the 2015 rule and then issue a new WOTUS rule that clarifies the extent of federal jurisdiction under the Clean Water Act that protects the right to farm without threat of mandatory permitting, federal enforcement actions or activist lawsuits.