

ISSUES & INSIGHTS

U.S. - Mexico - Canada Trade Agreement

SITUATION

The U.S. - Mexico - Canada trade agreement (USMCA) addresses the world's largest trading area, one with a population of nearly 500 million people and a GDP of over \$21 trillion. Since trade agreements were first initiated between the United States and its North American trading partners, Canada and Mexico have evolved into two of the largest export markets for U.S. pork products.

Pork producers rely on these two markets. In 2018, Canada and Mexico took over 40 percent of the pork that was exported from the United States. They are on track to make up a large percentage in 2019 as well. The USMCA preserves zero-tariff trade for U.S. pork in North America. It also incorporates strong sanitary-phytosanitary (SPS) provisions that go beyond those contained in the World Trade Organization's SPS agreement.

It is vital that the United States have an agreement with both Canada and Mexico because of U.S. pork's dependence on both export markets. Without an agreement, the U.S. pork duty to Mexico would increase to 20 percent, ultimately resulting in a loss of the entire Mexican market to domestic and international competition, according to Iowa State University Economist Dermot Hayes.

NPPC POSITION

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

FAST FACTS

- U.S. pork exports totaled \$6.4 billion in 2018
- Exports added more than \$51 — that's nearly 26 percent of the \$141 average value of a hog — to every U.S. hog marketed in 2018
- Exports to Canada and Mexico support 16,000 U.S. jobs
- Mexico is the largest volume market and the second largest value market for U.S. pork exports
- Canada is the fifth largest volume and fourth largest value market for pork exports

2018 PORK EXPORTS TO MEXICO AND CANADA

U.S. EXPORTS TO MEXICO

777,145 METRIC TONS



\$1.3 BILLION

U.S. EXPORTS TO CANADA

205,570 METRIC TONS



\$765 MILLION



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