

October 31, 2019

Dear Representative / Senator _____:

New York's farmers and food manufacturers are an integral part of our state – they help feed our families and support the economic health of our communities while producing affordable products to fill grocery stores throughout our state. Farmers and food manufacturers also fulfill the international demand for Made-in-America agricultural products, requiring robust access to markets abroad. As companies and organizations representing a diverse range of food and agricultural producers in the state of New York, we urge you to support New York's farmers and food manufacturers by swiftly passing the United States-Mexico-Canada Agreement (USMCA).

There are more than 33,000 farms across New York state which collectively contribute nearly \$5.4 billion to the state's economy.¹ New York's farmers rely on exports, sending \$1.4 billion worth of agricultural goods overseas in 2017. And the benefits of exports extend far beyond the farm: USDA's Economic Research Service estimates that every dollar in farm exports generates \$1.30 in economic activity here at home.² Agricultural exports are supporting 12,000 jobs and driving economic growth throughout our state.³

Food processors build upon the success of our agricultural sector by utilizing U.S. farm goods to create high-quality food products right here in New York state, which are then sold to markets around the world. Food manufacturers supported 57,000 jobs in New York in 2018.⁴

NAFTA has created vital export markets for New York State, and 48 percent of New York's agricultural exports go to Canada and Mexico.⁵ NAFTA provided an important framework for the free trade of goods throughout North America and created new opportunities for farm and food products. But it is time to modernize NAFTA by passing USMCA.

USMCA strengthens the critical trade relationships we share with Canada and Mexico and makes much-needed improvements to the rules governing trade in order to expand market access for U.S. producers and better facilitate exports.

USMCA will secure the existing zero tariff access to Mexico for agriculture exports, establish strong science-based sanitary and phytosanitary provisions to protect health and safety, address the use of agricultural biotechnology and provide new protections for U.S. exports that use common food names.

In addition, USMCA includes several provisions to address existing barriers to trade in specific industries. These include reforms to Canada's controversial dairy pricing system with the elimination of Class 6 and 7 pricing which currently impacts dry milk powder and whey products. The agreement also ends the discriminatory pricing for wheat exports to Canada, removal of nontariff barriers to U.S. wine exports to Canada and increases in market access for dairy, egg and poultry products in Canada. According to the USDA, New York alone exported over \$40 million in dairy products to Canada, nearly \$18 million to Mexico in 2018. New York-based distillers will benefit by the certainty of duty-free treatment and new provisions on labeling and certifications, which will help to facilitate spirits exports.

Most importantly, passing USMCA this fall will give our farmers certainty as they begin planning for the upcoming year and restore confidence among our allies that the U.S. is a trusted trade partner. It will demonstrate to the rest of the world that the U.S. is serious about improving trade and drive a renewed energy to finalize negotiations on other outstanding free trade agreements.

USMCA will improve trade to benefit agricultural producers while driving new economic growth. All told, the U.S. International Trade Commission estimates that full implementation of USMCA will result in a \$2.2 billion annual increase in U.S. farm and food exports.⁶ It's clear that expanding the hard-earned market share of New York's food and agricultural sector is essential to the economic health of the rural parts of this state and vital to maintaining America's position as a reliable supplier of superior agricultural products.

On behalf of New York's farmers and food manufacturers, we ask that you work with your colleagues to resolve any outstanding concerns and quickly pass USMCA.

Sincerely,

Agri-Mark, Inc.
Cayuga Marketing
Cayuga Milk Ingredients
Dairy Farmers of America
Distilled Spirits Council of the U.S.
Empire State Council of Agricultural Organizations
Farm Credit East
Leprino Foods
New York Apple Association
New York Corn and Soybean Growers Association
New York Farm Bureau
New York State Berry Growers Association
New York State Flower Industries
New York State Maple Producers Association
Northeast Agribusiness and Feed Alliance
Northeast Dairy Farmers Cooperatives
Northeast Dairy Foods Association, Inc.
O-AT-KA Milk Products Cooperative, Inc.
Saputo Cheese USA Inc.
Upstate Niagara Cooperative, Inc.

¹ National Agricultural Statistics Service. (2019, April). 2017 Census of Agriculture. Retrieved from United States Department of Agriculture: https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/usv1.pdf

² Persaud, S. (2019, February 21). *Effects of Trade on the U.S. Economy*. Retrieved from USDA Economic Research Service: <https://www.ers.usda.gov/data-products/agricultural-trade-multipliers/effects-of-trade-on-the-us-economy/>

³ Foreign Agricultural Service. USMCA - Benefits for States. Retrieved from United States Department of Agriculture: <https://www.fas.usda.gov/usmca-benefits-states>

⁴ Quarterly Workforce Indicators (1990-2018). Retrieved from U.S. Census Bureau: <https://qwexplorer.ces.census.gov>

⁵ <https://www.fb.org/market-intel/importance-of-nafta-to-agriculture-in-each-state-for-2016>

⁶ U.S. International Trade Commission. (2019, April). U.S.-Mexico-Canada Trade Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors. Retrieved from <https://www.usitc.gov/publications/332/pub4889.pdf>