

INTERNATIONAL TRADE



Market Access for U.S. Corn Farmers

For generations, America's farmers and ranchers have built strong trading relationships to help maintain a competitive edge in the global economy and bolster job creation across the United States.

Growing for a Global Market

As the world's largest producer and exporter of corn, U.S. corn farmers are well-positioned to meet global demand. With 96 percent of consumers living outside the United States, the future of American agriculture largely depends on our ability to sell to foreign markets. Additionally, markets with trade liberalization measures in place are outperforming the rest of the world. Exports to our 20 recent free trade partners account for more than 40 percent of total corn exports.

Why Trade Matters for Corn Farmers

Exports are responsible for 33 percent of U.S. corn farmers' income. More than 20 percent of the U.S. corn crop is exported annually when accounting for corn and value-added products like ethanol and distillers dried grains with solubles (DDGS). Twenty-six percent of U.S. corn exports go to Canada and Mexico alone.

The benefits don't stop at the farm gate, they have a ripple effect throughout the U.S. economy. Agriculture, food, and related industries contributed \$1.053 trillion to U.S. gross domestic product (GDP) in 2017, and in 2018 jobs related to agriculture account for 11 percent of total U.S. employment – 22 million full and part-time jobs¹.

New Markets, New Agreements

U.S. trade policy must advance the interests of American farmers and ranchers and boost U.S. agriculture's competitiveness in regions undergoing economic growth. Corn farmers celebrated agreements to secure the future of U.S. trade relationships with Mexico, Canada, Korea, and Japan, all top markets for the U.S. corn industry. NCGA will work with the U.S. government to monitor implementation of these agreements and the Phase One agreement with China, which NCGA views as a positive step toward our overall goal of long-term market access and a fairer trading relationship.

Now it is time to build on this momentum and forge new trade agreements with strategic partners that offer new growth opportunities for U.S. corn and corn product exports. With rapid global population and middle-class growth projected for Southeast Asia, India, and sub-Saharan Africa, these regions require sustained U.S. engagement. We must continue to nurture and expand upon our successful partnerships in Latin America as well. Additionally, NCGA will work to build widespread recognition of the growth of ethanol exports and the importance of that opportunity for the U.S. corn industry. We see opportunities to achieve market access gains and address non-tariff barriers in the U.S. government's negotiations with the United Kingdom, the European Union and Kenya, and NCGA will seek to ensure that agriculture is part of these and any other trade negotiations.

¹ USDA, Economic Research Service. <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/ag-and-food-sectors-and-the-economy/>

Building Markets and Knocking Down Barriers

In addition to new trade agreements, the daily, on-the-ground work of promoting U.S. agricultural products, fighting non-tariff trade barriers, and building global demand is critical to making trade work and keeping U.S. farmers competitive. USDA's Market Access Program (MAP) and Foreign Market Development Program (FMD) assist farmers to expand key markets and build new export market demand. NCGA urges Congress to increase investment in these critical programs and to appropriate discretionary funds to support administrative costs associated with the programs.

NCGA will collaborate with the U.S. government and industry partners to counter the threat non-tariff barriers pose to the fair and open trade of corn and corn products. The corn industry encounters such barriers to the use of agricultural innovations such as biotechnology, crop protection products and, on the horizon, new plant breeding techniques, which are important tools for farmers' environmental and economic sustainability. We will promote multi-lateral commitments to science-based and transparent regulation of these agricultural products.

TRADE PRIORITIES

- Urge the Administration to pursue new free trade agreements, focusing on the Asia-Pacific region. Ensure that agriculture remains part of all trade negotiations.
- Monitor implementation and enforcement of new trade agreements.
- Increase funding for USDA's Market Access Program (MAP) and Foreign Market Development Program (FMD) to continue expanding existing markets and building new export market demand.
- Stand firm against non-tariff trade barriers that impede corn and corn product market access.

ACTION

NCGA urges Congress to increase funding for MAP and FMD and to work with the Administration to pass free trade agreements that expand market access for American corn and corn products.

Questions? Reach out to Lesly McNitt at mcnitt@ncga.com or call at (202) 320-3180.

National Corn Growers Association
20 F Street NW Suite 900
Washington, DC 20001
202.628.7001 | www.ncga.com