

# NAFTA Renegotiations and the Pacific Northwest

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# International Trade Relationship

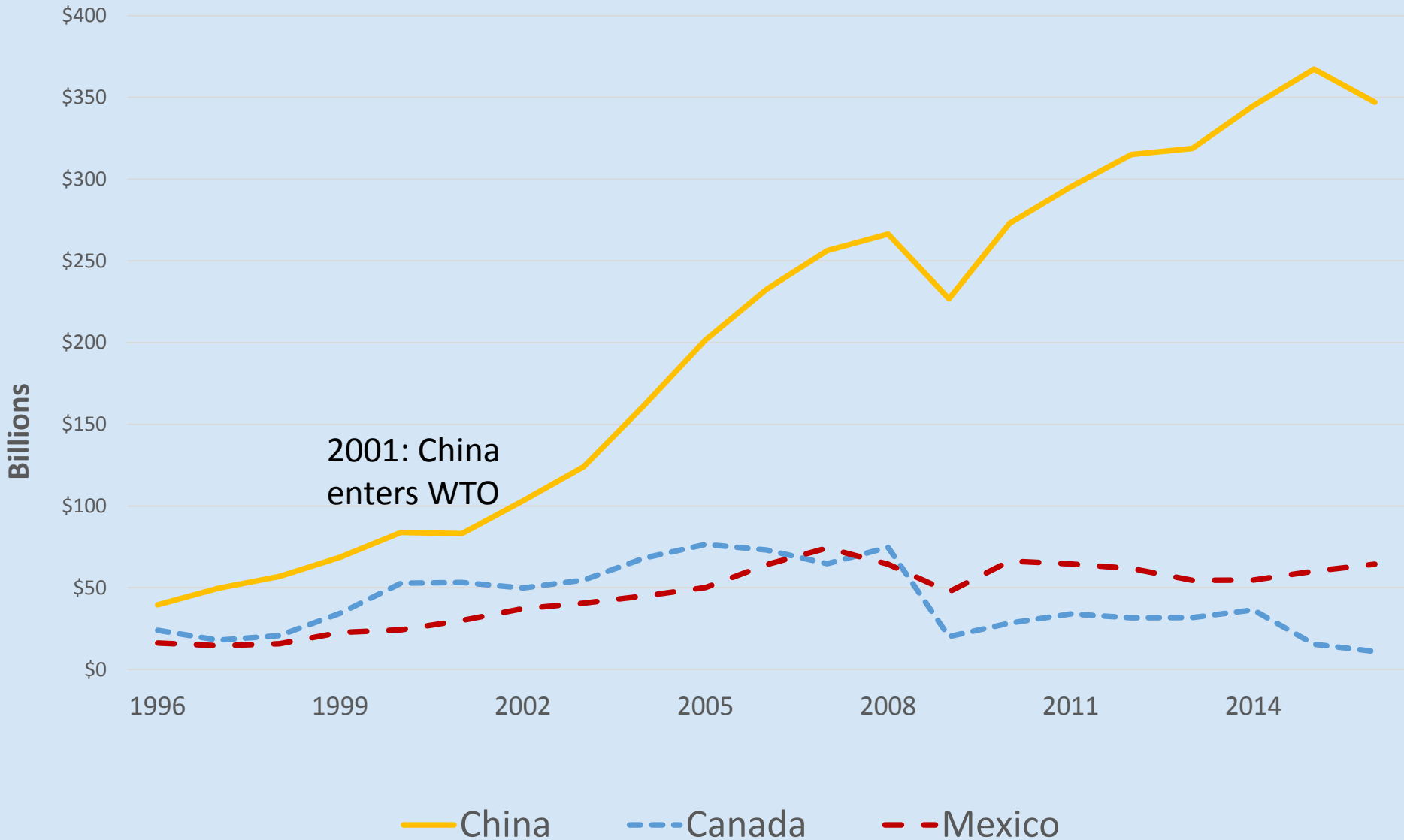
# Source of U.S. Imports (1990-2015)

	1990	2000	2015
Canada	18%	19%	13%
Japan	18%	12%	6%
Mexico	6%	11%	13%
China	3%	8%	22%

# Destination of U.S. Exports (1990-2015)

	1990	2000	2015
Canada	21%	23%	19%
Japan	12%	8%	4%
Mexico	7%	14%	16%
China	1%	2%	8%

# U.S. Trade Deficits Post-NAFTA



# NAFTA Drives U.S. Trade

**27% | 33%**

U.S. total imports  
come from Mexico  
and Canada

U.S. total exports go  
to Mexico and  
Canada

Top 5 U.S. imports from  
Canada and Mexico

- Oil & gas
- Motor vehicles
- Motor vehicle parts
- Petroleum & coal products
- Nonferrous metals

Top 5 U.S. exports to  
Canada and Mexico

- Motor vehicles parts
- Petroleum & coal products
- Motor vehicles
- Computer equipment
- Basic chemicals

Source: U.S. International Trade Commission Interactive Trade DataWeb

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For every \$1 spent on imports from...

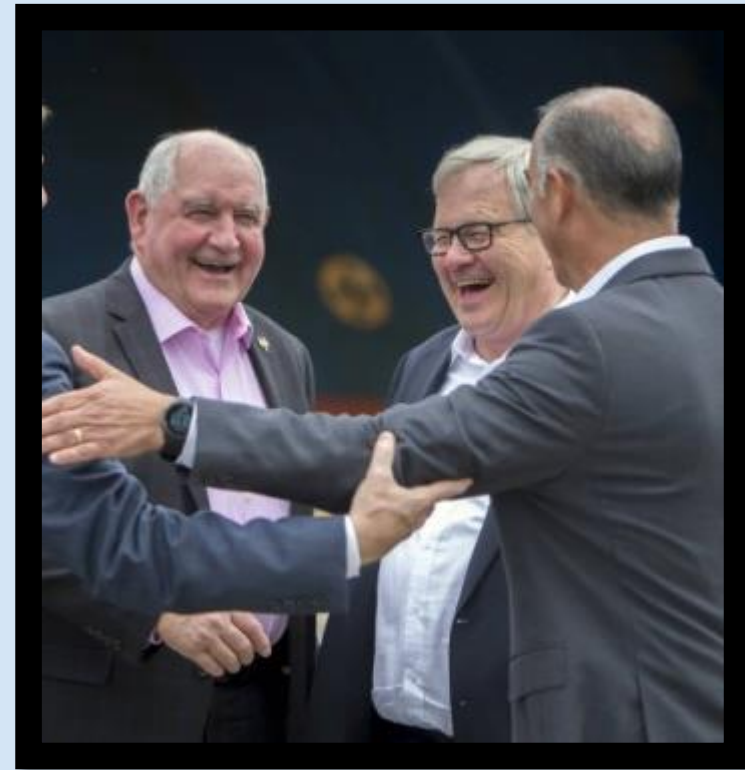
Mexico =  
\$0.40 value added by U.S.

Canada =  
\$0.25 value added by U.S.



# Agricultural Trade

U.S. agricultural exports =  
15.7% to Canada  
13.6% to Mexico





# CANADA

# \$20.9 billion

Total U.S. Agricultural Exports to Canada, 2015



## #1

Rank Among U.S. Agricultural  
Export Markets, 2015

## Growth

Growth of U.S. Ag Exports  
to Canada, 2006-2015

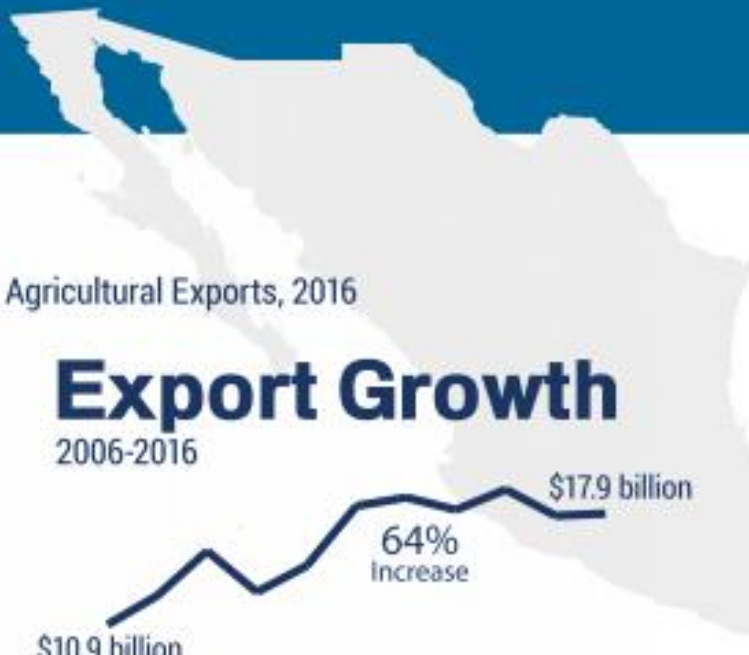


## Top 5

- U.S. Ag Exports to Canada, 2015
- Prepared Food (\$1.9 billion) 1
  - Fresh Vegetables (\$1.9 billion) 2
  - Fresh Fruits (\$1.6 billion) 3
  - Snack Foods (\$1.3 billion) 4
  - Non-Alcoholic Beverages\* (\$1.2 billion) 5

\*Excluding Juices.

# Mexico



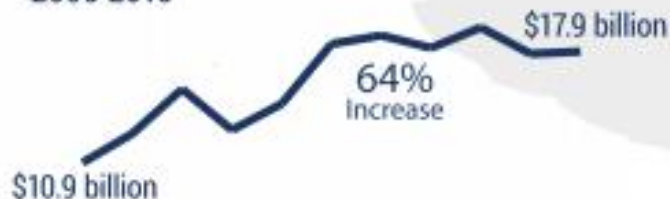
**\$17.9 billion** U.S. Agricultural Exports, 2016

## Top 5 U.S. Exports

- 1 Corn (\$2.6 billion)
- 2 Soybeans (\$1.5 billion)
- 3 Pork (\$1.3 billion)
- 4 Dairy Products (\$1.2 billion)
- 5 Prepared Foods (\$1.0 billion)

## Export Growth

2006-2016



**#3**

Among U.S.  
Agricultural Export  
Markets, 2016

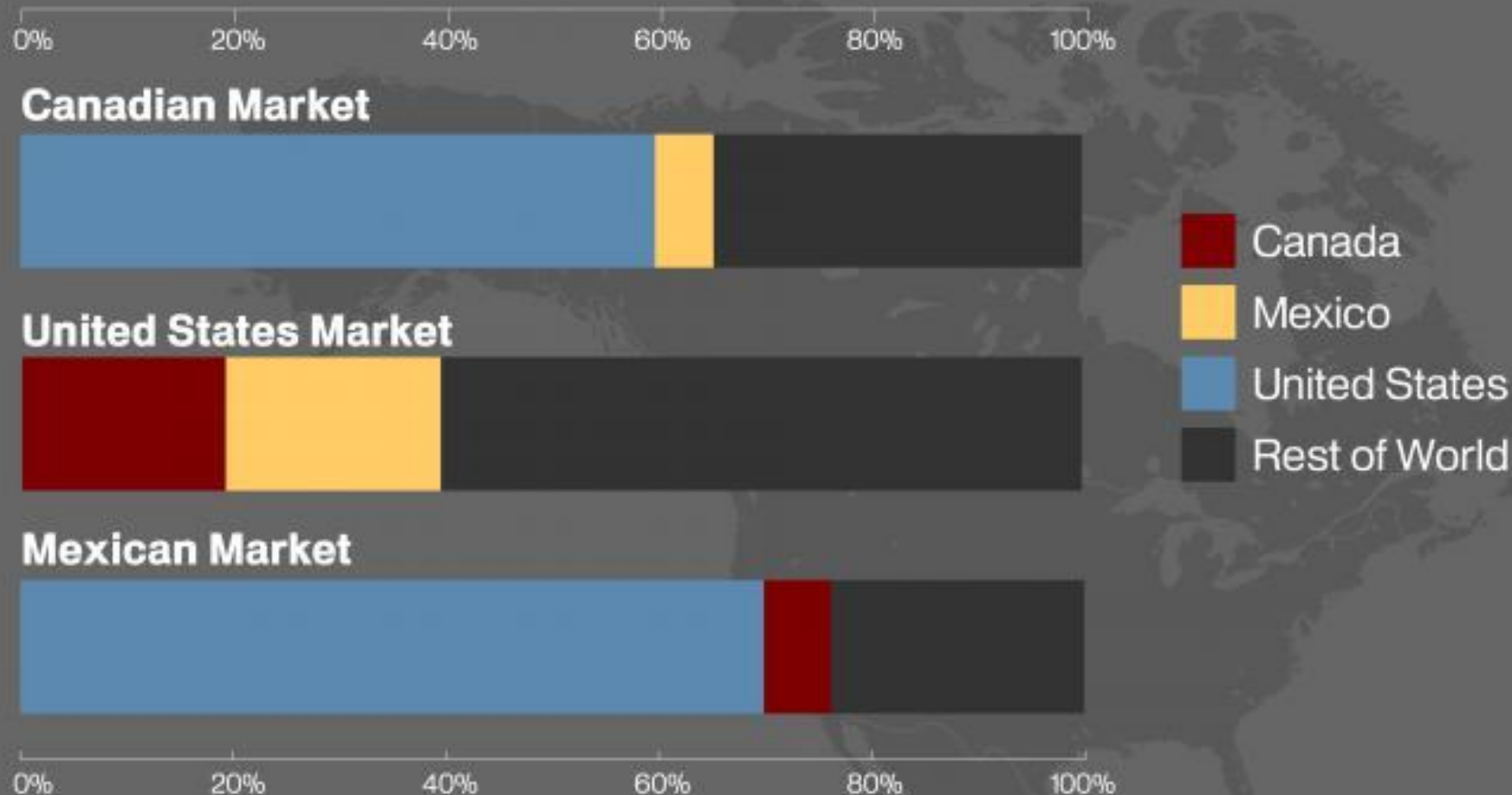
Twitter: @USDAForeignAg Website: [www.fas.usda.gov](http://www.fas.usda.gov)

Source: FAS Global Agricultural Trade System (GATS) BICO HS- 6

United States Department of Agriculture  
Foreign Agricultural Service



# Comparison of Market Shares for Agricultural Imports by Country in 2016



Source: GTIS Monthly Product Group: BICO-HS6

Website: [www.fas.usda.gov](http://www.fas.usda.gov) Twitter: @USDAForeignAg

# Washington State Trade

NAFTA =  
\$23 billion bilateral trade  
12% exports  
30% imports

# Export Commodities w/over 25% bound for Mexico & Canada

- Fruits
- Mineral fuels
- Machinery
- Aerospace
- Wood products
- Vehicles
- Aluminum
- Dairy products
- Stone products

# Ag exports to Mexico & Canada



- 15% of apple crop
- 20% of pear crop
- \$589 million of fruits and nuts
- \$211 million of live animals, meat, and aquatic invertebrates

# Renegotiating/Modernizing the North American Free Trade Agreement



# PNWER NAFTA Modernization Taskforce



- Promote cross-border **trade facilitation through streamlined and simplified** clearance and customs processes.
- Consider **Canada as domestic** for the purpose of U.S. federal procurement, as it currently is in the defense sector.
- Include **advancements from other FTAs**, such as the TPP, in areas as simplified ROO, non-tariff trade barriers, supply chain security
- Support further **integration of N.A. energy markets** and the infrastructure to connect them.
- Encourage permanent **adoption and expansion of the RCC** to align product standards, testing, and certification
- Include modern provisions to **facilitate cross-border express delivery** for small shipments



# USTR Negotiation Objectives & the Agriculture Industry

- Regulatory Cooperation Council
  - Align grain standards
- Border facilitation
  - Improve livestock health
- Rules of Origin vs. Country of Origin

**\*\*Eliminate Chapter 19**

# Predicting the Future...

- Private sector “do no harm” vs. political reality
- Continued uncertainty
- “You never let a serious crisis go to waste ... it’s an opportunity to do things you think you could not do before” (Rahm Emanuel, first chief of staff, Obama)

# NAFTA

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## RENEGOTIATION TIMELINE

**MAY 18, 2017**

USTR gives notification to US Congress.

**MAY 23, 2017**

USTR publishes "Request for Comments" from interested parties in the Federal Registry.

**JUNE 12, 2017**

Public comments due to USTR.

**JUNE 27, 2017**

Public hearing by US International Trade Commission.

**JULY 17, 2017**

USTR publishes detailed objectives of the US for NAFTA renegotiation.

**AUG. 19 2017 or later**

Potential beginning of NAFTA renegotiation.



**DEC. 2017**

**subject to change**

Conclusion of NAFTA renegotiation process.

**JAN. 2018**

US President notifies Congress 90-180 days before signing amendments to NAFTA legislation.

**END OF MAR. 2018**

Signing of renegotiated NAFTA.  
NOTE: TPA grant authority expires June 2018.

**JULY 2018**

US ITC issues report on impact of renegotiated NAFTA (no later than 105 days following signing).

**SEPT. 2018**

Present renegotiated NAFTA to US Congress for UP or DOWN vote.