

Asia-Pacific Working Group, U.S. Food and Agriculture Dialogue for Trade

April 19, 2018

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. President:

The Asia-Pacific Working Group, a subset of the U.S. Food and Agriculture Dialogue for Trade, believes that your Administration has an important opportunity to improve the international trade and investment environment and expand economic and employment prospects for American workers, farmers, ranchers, processors, agri-businesses and food manufacturers.

We encourage progress and agreements to reduce and eliminate serious, inappropriate and distortive trade and investment impediments deployed for several years by China. We stand ready to support intense and timely high-level negotiations to avoid the negative impacts of increased tariffs and other restrictions on economic engagement between our two countries. We recognize that while several proposed tariffs have not been implemented, and should not be unless deemed consistent with World Trade Organization (WTO) rules, their mere announcement has roiled agricultural commodity markets and threatened to significantly impair the supplier relationships our sector has worked hard to establish in China over the past two decades.

We also strongly support the Administration pivoting expeditiously toward an ambitious trade agenda with Asia-Pacific countries and commencing negotiations with Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members to open new markets and preserve existing trade for American food, agricultural and other U.S. products.

Asia-Pacific Working Group of the U.S. Food and Agriculture Dialogue for Trade (“Dialogue”):

As noted previously, the Asia-Pacific Working Group is a subset of the Dialogue, which is comprised of more than 100 organizations representing America’s farmers, ranchers, processors, agri-businesses and manufacturers of human food and animal feed.

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The many employees, businesses and organizations engaged in the Dialogue have worked successfully to foster improved relations with China through information exchange, trade and investment. As a leading sector for manufacturing in the United States, the ability to access one of the largest markets in the world has yielded measurable gains for U.S. job-creators, American consumers and workers, and U.S. economic growth.

China:

Today, China is the second largest export market for American food and agricultural products and is a critical export customer, especially now that the U.S. agricultural sector is incurring low commodity prices and serious economic challenges. We are acutely aware of, and acknowledge, the long-standing obstacles that U.S. companies, manufacturers and their workers confront when doing business with China. Further, we appreciate your Administration's desire to meaningfully address actions by China that impede U.S. trade and investment opportunities. Like other sectors of the American economy, U.S. food and agricultural interests are affected negatively by China's investment restrictions imposed on non-Chinese entities, intellectual property infringements, forced technology transfers and other policies that disadvantage American firms over Chinese domestic companies and state-owned enterprises.

Remarks by Chinese President Xi Jinping at the recent Boao Forum for Asia appear to provide an opening to engage in a meaningful, intensive and high-level dialogue with the United States. Engagement now via swift, constructive and high-level negotiations to bring about change before the imposition of additional tariffs that would harm both countries, combined with regularized bilateral interactions between our two governments, have the prospect of achieving a fundamentally improved, long-lasting and more reciprocal trade relationship between the United States and China. Input from the U.S. food, agriculture and business community can be marshalled in both the short- and long-term to secure gains. It is clear that leverage is needed to spur meaningful negotiations. In this regard, we strongly encourage aggressive use of the WTO dispute-settlement system through cases brought in concert with other WTO-member countries, as well as other mechanisms that would not result in violations of America's own WTO obligations.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP):

We also believe U.S. leverage would be strengthened by the successful conclusion of negotiations to modernize the North American Free Trade Agreement (NAFTA), which would enable the Administration to pivot to re-engaging in negotiations with Asia-Pacific countries that are part of the CPTPP.

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In that regard, we are very pleased that the topic of expanding trade and investment ties with Japan was a principal point of discussion in meetings with Prime Minister Abe this week. Expediently determining a path forward to re-engage in CPTPP negotiations – as you envisioned during your address at the World Economic Forum in Davos, Switzerland – would be a concrete action that would enhance America’s global competitiveness and further spur U.S. economic growth and job creation, while benefitting American consumers.

Summary:

In summary, the Asia-Pacific Working Group of the Dialogue looks forward to working with your Administration to maintain and improve the international trade and investment environment, including by addressing the direct interests of the American food and agricultural sector as well as practices negatively affecting the U.S.-China relationship. We also strongly support the Administration pivoting expediently toward a constructive and pro-growth trade agenda with Asia-Pacific countries and commencing negotiations with CPTPP members to open new markets and preserve existing trade for American food, agricultural and other U.S. products.

The U.S. food and agricultural sector supports and benefits from strong exports, as well as economic and other ties between the United States, China and the rest of the world, and looks forward to working with your Administration to achieve these shared goals.

Sincerely,

Asia-Pacific Working Group, U.S. Food and Agriculture Dialogue for Trade

Cc: The Honorable Ambassador Robert E. Lighthizer, U.S. Trade Representative
The Honorable Lawrence A. Kudlow, Chairman, National Economic Council
The Honorable Sonny Perdue, Secretary of Agriculture
The Honorable Gregg Doud, Chief Agricultural Negotiator, Office of the U.S. Trade Representative
The Honorable Ted McKinney, Under Secretary for Trade and Foreign Agricultural Affairs, U.S. Department of Agriculture