



NATIONAL CATTLEMEN'S BEEF ASSOCIATION

1301 Pennsylvania Ave., NW, Suite #300 • Washington, DC 20004 • 202-347-0228 • Fax 202-638-0607

November 30, 2012

Tricia Van Orden
Executive Secretary
President's Export Council
Room 4043
1401 Constitution Avenue, NW
Washington, DC 20230

**Comments of the National Cattlemen's Beef Association regarding President's Export Council:
Meeting of the President's Export Council: FR Doc. 2012-28233**

The National Cattlemen's Beef Association (NCBA) has represented America's cattlemen and women since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest and oldest national association of cattle producers, NCBA represents a very diverse beef industry that strives to meet demand in emerging markets and increase demand for beef. NCBA appreciates the opportunity to provide comments for the President's Export Council regarding recommendations related to export expansion through streamlined consideration of trade legislation and through building a competitive manufacturing workforce.

As part of your meeting agenda on streamlining trade legislation, NCBA strongly encourages you to discuss renewal of Trade Promotion Authority (TPA). The U.S. beef industry has benefitted tremendously with the recent enactment and implementation of the free trade agreements (FTA) with Korea, Colombia, and Panama, and we look forward to maintaining a trade advantage over our competitors through tariff rate reduction for years to come, plus the establishment of science-based import and export standards. The FTA with Korea repeals a 40 percent tariff on U.S. beef. Likewise, the Colombia FTA repeals a massive 80 percent tariff on U.S. beef and the FTA with Panama eliminates a 30 percent tariff on U.S. beef. Eliminating high tariffs gives us a competitive advantage in all three markets and a strong foothold in Asia and South America where demand for beef is strong and growing.

The governments of many of our competitors are actively engaged in negotiating trade agreements with growing consumer markets around the world. Unless the United States takes a similar aggressive approach to secure free trade agreements, we will lose market share; not because our products are inferior, but because our products will be more expensive due to import tariffs. Look no further than the Korea-U.S. free trade agreement for a prime example of how tariff rates give the U.S. beef industry a major advantage over our largest competitor in the Korean market, the Australian beef industry. According to the Australian-based Centre for International Economics (CIE), unless a Korea-Australia FTA comes into force, the Australian beef industry will incur an initial \$13 million loss in 2013, with Korean export market share falling from 49 percent to 37.5 percent next year due to the tariff differential between U.S. beef and Australian beef. The annual financial impact will rise to \$182 million by 2026, by which time Australia's export market share is forecast to decline to only 26 percent in the absence of a free trade agreement. The cumulative losses would approach \$1.4 billion over the 15-year term according to CIE.

NCBA strongly supports the active engagement of the U.S. government in securing more competitive advantages for the U.S. beef industry through expanded free trade. Two potential trade opportunities that could benefit from TPA are the Trans-Pacific Partnership (TPP) and a potential free trade agreement between the United States and the European Union (E.U.). Under TPP, the U.S. beef industry could see the elimination of tariff and non-tariff trade barriers that hinder our ability to meet free market demand for beef in the Pacific Rim. While the final terms of the agreement are still far from conclusion, TPP could give the United States a stronger foothold in the growing Asian and Pacific Rim markets. Likewise, the U.S. government and E.U. have been meeting for the past several months to discuss outstanding trade issues in order to increase market access for both. Unfortunately, there has been some discussion as to whether agriculture should be left out of any comprehensive trade negotiations given the differing views toward the use of science and technology in food production. Production practices in the United States are based on rigorous scientific review and are continuously being improved to employ the latest advancements in scientific research and animal husbandry, while keeping in mind the overall goal of improving production efficiency and improving the overall environmental impact. Meanwhile, the E.U. continues to employ the precautionary principle which discourages the development and use of scientific advancements. As a result, U.S. beef has been the victim of unwarranted trade restrictions throughout the years even though there is little, if any, scientific evidence to support the E.U.'s protectionist policies. Regardless, it is imperative that agriculture not be left out of a potential comprehensive trade agreement with the E.U., otherwise the United States will condone the non-science based trade barriers put in place by the E.U., which will set a dangerous precedent for future trade agreements with trading partners who have similar views to those of the E.U.

While Congress has generally been supportive of free trade in recent years, we cannot afford to subject potential free trade agreements to partisan disagreements and the power plays that currently plague Congress. We need to renew Trade Promotion Authority and put in place fast-track authority to make certain that Congress will consider trade agreement implementing bills within mandatory deadlines, with a limitation on debate, and without amendment, as long as the President meets prescribed requirements set out by law. It would be disappointing to see new free trade agreements, which are vital to our economic recovery, sabotaged by partisanship and gridlock.

NCBA appreciates the President's Export Council's consideration of expanding economic opportunities for U.S. beef producers and we appreciate the opportunity to work with you in resolving issues that impede our access to international consumers. NCBA urges the Obama Administration to work with Congress to renew Trade Promotion Authority and to aggressively pursue free trade opportunities around the world. Should you have any questions or concerns please contact me or my staff at 202-347-0228.

Sincerely,

A handwritten signature in black ink, appearing to read "J.D. Alexander". The signature is fluid and cursive, written over a light blue horizontal line.

J.D. Alexander
President