

International trade and the growth of overseas markets for Nebraska agricultural products is vital for the future economic success of farm and ranch families and Nebraska's broader economy. Last year, Nebraska Farm Bureau (NEFB) provided a "To-Do" list to the Biden administration focused on continuing to make agricultural trade a priority. Unfortunately, during his first year in office, President Biden has had relatively little to say and next to no action on this important topic.

As we begin 2022, NEFB is again calling for action. "Trade Agenda 2022: Now is the Time for Action" lays out a roadmap of important steps to be taken by the Biden administration to address key trade related issues and expand markets for Nebraska agriculture commodities and products. NEFB stands ready to work to expand agricultural markets overseas and ensure that Nebraska farm and ranch families are treated justly in the international marketplace.

I. CHINA

BACKGROUND

China remains a vital market for Nebraska goods and is a consistent top three market for Nebraska products, year in and year out. Prior to 2018, Nebraska agricultural exports to China ranged from \$936 million to \$1.045 billion and generally equated to 15 percent of Nebraska's total agricultural exports. The value of exports to China during this time equaled roughly \$19,300 per farm in Nebraska. However, the Trump trade war with China caused Nebraska ag exports to drop to \$443 million in 2018 and \$635 million in 2019 according to Nebraska Farm Bureau estimates.

The U.S.-China Phase One Trade Agreement, however, saw substantial growth return with China importing record levels of agriculture products in 2020 (\$26 billion) and every indication is that the 2021 numbers will be even higher. While these totals fell behind the Phase One goals, they remain all time records. As we begin 2022, the Biden administration must secure additional assurances that China will continue to be a substantial market for Nebraska's agricultural products. At the same time, the Biden administration must also work to ensure China continues to follow all international trade and copyright rules as well as ensuring China's efforts to conduct intellectual property theft is controlled.

MOVING FORWARD:

- **Grow Beyond Phase One**

- Given China's importance as a trading partner to US farmers and ranchers, it is vitally important the U.S. and China move beyond the Phase One agreement. NEFB urges President Biden to normalize trade relations with China and push for the complete elimination of all tariffs on US agriculture products going to China. At the same time, forcing China to play by approved international trade rules is also vital. Only when these objectives are achieved should President Biden begin to remove the tariffs put in place on Chinese goods by President Trump.

- **Multilateral Approach to China**

- The rise of China as an economic power and major participant in international trade has exposed weaknesses in international institutions like the World Trade Organization (WTO) which are unable to address issues related to a state-controlled economy. NEFB encourages President Biden to coordinate and work with other like-minded countries in a multilateral approach to developing rules and institutions to address these issues. Issues addressed should include forced technology transfers, state-owned enterprises, and state subsidies.

II. EXPAND INTERNATIONAL MARKETS

BACKGROUND

Export markets are vitally important to Nebraska farmers and ranchers with agricultural exports typically accounting for 30 percent of the state's total receipts. Every dollar in agricultural exports generates \$1.28 in economic activities such as transportation, financing, warehousing and production. After President Trump signed new agreements with Japan and China as well as reforming NAFTA which later became the United States-Mexico-Canada Agreement, President Biden has yet to really move his trade agenda out of "neutral." Given the majority of this world's consumers live outside of our borders, it is vital the Biden Administration makes finding new markets for agricultural products a top priority.

MOVING FORWARD:

- **Trade Promotion Authority (TPA)**
 - Virtually none of the market expansion work that needs to be done can happen unless the administration works with Congress to renew Trade Promotion Authority (TPA) following its expiration in July 2021. NEFB has long supported granting either political party TPA because of our strong support for the expansion of new markets. While members of the Biden Administration have been cautious in taking this step, requesting the extension of TPA and working with Congress to obtain the authority would show the rest of the world the Administration is taking trade expansion seriously and the United States is open for business.
- **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**
 - NEFB has long supported the participation of the US in the Trans Pacific Partnership now known as the CPTPP. At the same time, President Trump's trade agreement with Japan, which went into effect in January 2020, did help put Nebraska's farmers and ranchers on an equal footing with our competitors still included in CPTPP in the valuable Japanese market. However, there are still areas of improvement that can be made, and the rest of the economy was largely left out of President Trump's agreement. Outside of imports and exports, the value of the U.S. joining CPTPP would be found in helping the U.S. gain an increased leadership role in the region and help push back against the influence of China. President Biden must pull the U.S. off the sidelines and sign on to the CPTPP.

III. WORLD TRADE ORGANIZATION (WTO)

BACKGROUND

The role of the WTO has diminished over the past nearly two decades following the stalling of the Doha Development Round which began in 2001. Issues such as agricultural subsidies in developing nations remain major sticking points in reform negotiations. Given the lack of reform within the WTO, a rise in bilateral agreements has taken place. Given agriculture's reliance on international trade and the continued need for a rules-based trading system, it is essential that again, President Biden place reforming and revitalizing the WTO on his priority list.

MOVING FORWARD:

- **Reestablish Appellate Body**
 - The Appellate Body of the WTO is comprised of seven members who hear appeals from reports issued by panels in disputes brought on by WTO members. Throughout his time in office, President Trump held up the nomination of new members to the body leaving it inoperable on December 11th, 2019. In order for the WTO to operate as intended and continue its role as the arbiter of the global rules-based trading system, President Biden must move to approve new Appellate Body members.
- **General Enforcement**
 - The most important component of the WTO is to enforce the trade rules they have in place. While the shift toward agreements that go beyond WTO rules continues, it is important that the body continues to function as the umpire of trade rules amongst its members. Even without a functioning Appellate Body, the basic enforcement functions must continue and must be supported by the Biden Administration