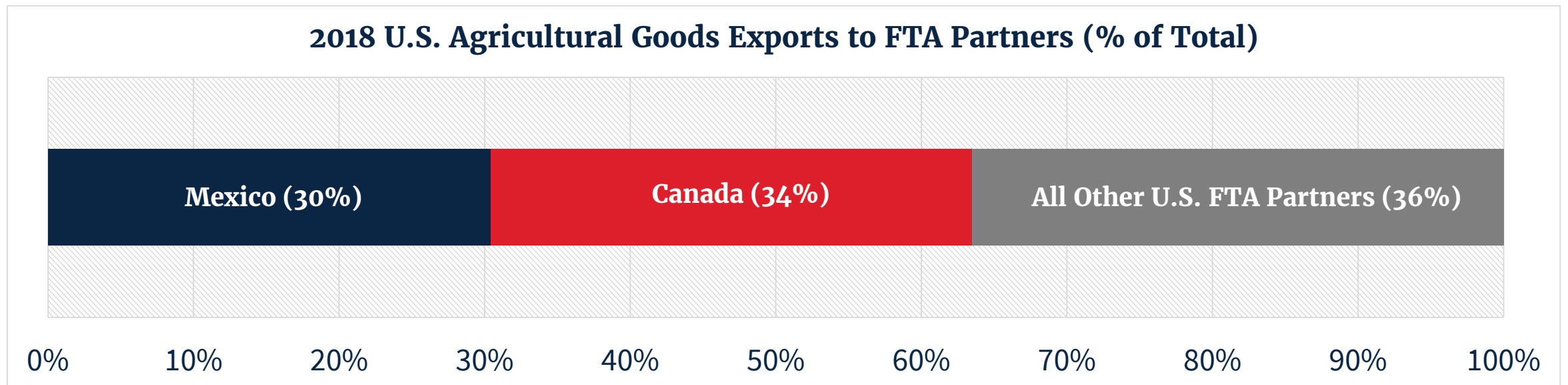


# Agricultural Goods

The **United States-Mexico-Canada Agreement (USMCA)** is the most comprehensive and high-standard trade agreement ever negotiated. It fully updates, modernizes, and rebalances the NAFTA to meet the challenges of the 21<sup>st</sup> century economy and to ensure that American workers, farmers, ranchers, and businesses, including small- and medium-sized enterprises, share in the benefits of the agreement. It will help drive economic prosperity, promote fairer and more balanced trade, and help ensure that North America remains the world's most competitive region.

## Mexico and Canada are Major Destinations for U.S. Agricultural Exports



## Key USMCA Upgrades from the NAFTA Covering Trade in Agricultural Goods

The USMCA maintains NAFTA's existing zero-tariff treatment, significantly expands U.S. access to Canada's dairy market, and includes a number of other important upgrades. According to independent analysis by the U.S. International Trade Commission, **full implementation of the USMCA would increase U.S. agricultural exports to the world by \$2.2 billion.**

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**Provides for Unprecedented Market Access for U.S. Dairy Farmers into Canada**
  - Covers the full range of dairy products and access will not be shared with other countries.
- 
**Canada Will Eliminate Milk Classes 6 and 7 and Apply New Export Penalties**
  - These policies allowed unfairly low-priced Canadian dairy products to undersell U.S. products in Canada and in third country markets. Canada will also apply export penalties on shipments of skim milk powder, milk protein concentrates, and infant formula over specified quantity thresholds.
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**Canada Will Eliminate its Discriminatory Grading of U.S. Wheat**
  - And no country of origin statement will be required on Canada's quality grade certificates.
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**Includes a Modernized Chapter on Sanitary and Phytosanitary (SPS) Measures**
  - Establishes new and enforceable rules to ensure that SPS measures are science-based, and developed and implemented in a transparent and non-discriminatory manner.
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**Cooperation on Agricultural Biotechnology**
  - Includes rules – for the first time in a U.S. trade agreement – to address all biotechnologies, including new technologies such as gene editing, to support 21<sup>st</sup> century innovations in agriculture.
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**Includes a Number of Other Notable Achievements Concerning Agriculture**
  - Commits Canada to ensure British Columbia eliminates discriminatory treatment of U.S. wine in grocery stores and includes new non-discrimination and transparency commitments regarding the sale and distribution of alcoholic beverages.
  - Mexico will not restrict market access for U.S. cheeses labeled with certain names, just because they are labeled with certain names.