



**National Cattlemen's
Beef Association**

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Update on Trade & NAFTA

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What's Going on in DC?

- 1) New Administration, New Congress... Same Priorities, Same Gridlock
- 2) Confirmation of Cabinet Members and Executive Branch Appointees
 - Cannot execute policy objectives without a team on the field
 - Hopeful that confirmation of appointees will be within 6 months
- 3) New Priorities: Repeal of Obamacare, Regulatory Reform, Tax Reform

Top Issues for 2017

- 1) Farm Bill (FMD Vaccine Bank)
- 2) Endangered Species Act Modernization
- 3) Tax Reform (Protect what we need AND eliminate estate tax)
- 4) Transportation - Electronic Log Books
- 5) Trade – TPP, NAFTA, China



Top Export Markets for U.S. Beef in 2016

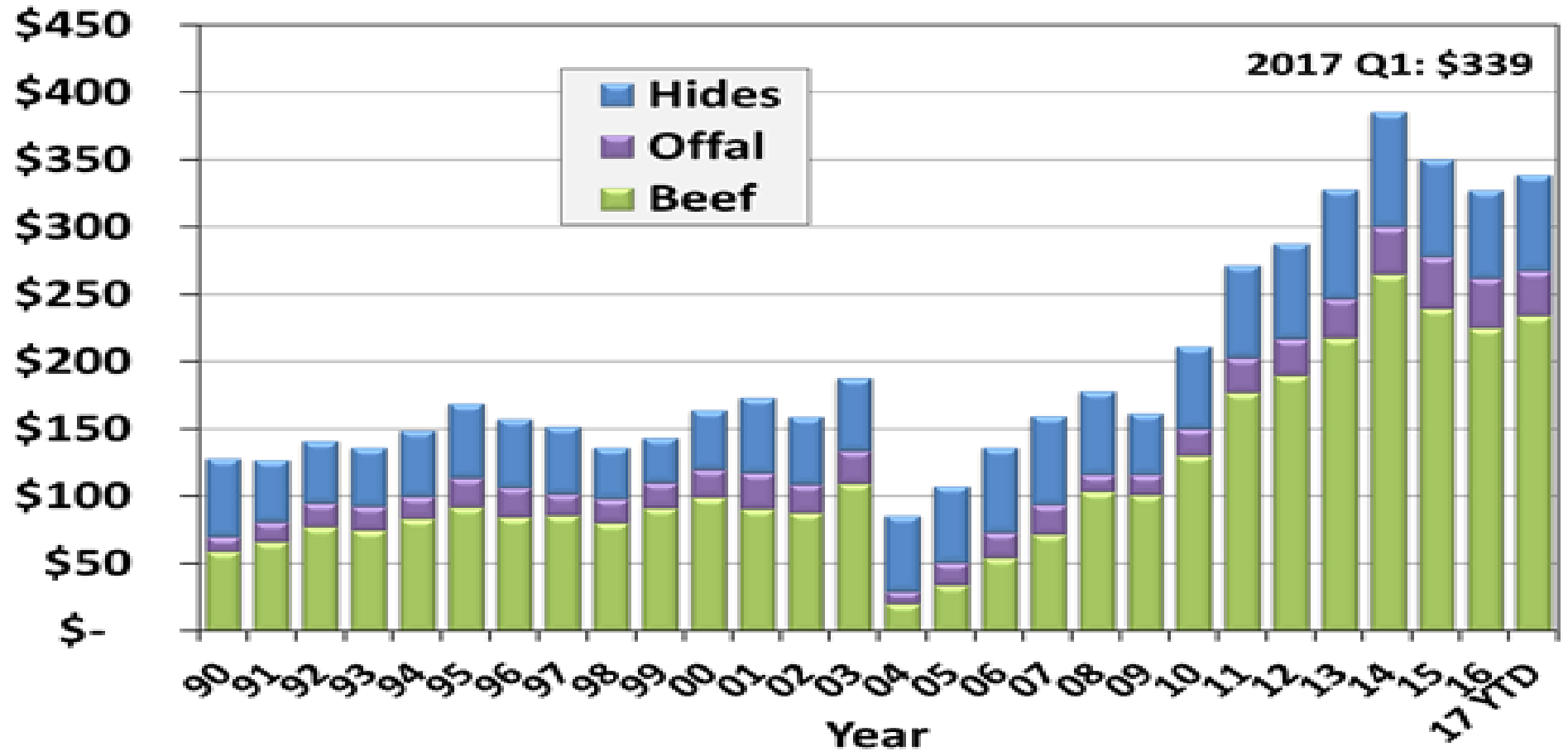
<u>Country</u>	<u>Sales</u>	<u>Volume (metric tons)</u>
Japan	\$1.5 billion	258,653 MT
Korea	\$1.06 billion	179,280 MT
Mexico	\$975 million	242,373 MT
Canada	\$758 million	116,266 MT
Hong Kong	\$684 million	112,770 MT
World	\$6.34 billion	1.2 million MT

Top Export Markets for U.S. Beef in 2017 Q1

<u>Country</u>	<u>Sales</u>	<u>Volume (metric tons)</u>
Japan	\$427 million (+42%)	74,411 MT
Korea	\$268 million (+30%)	42,551 MT
Mexico	\$227 million (+3%)	57,057 MT
Canada	\$191 million (+19%)	29,909 MT
Hong Kong	\$167 million (-4%)	26,161 MT
World	\$1.6 billion (+19%)	292,215 MT

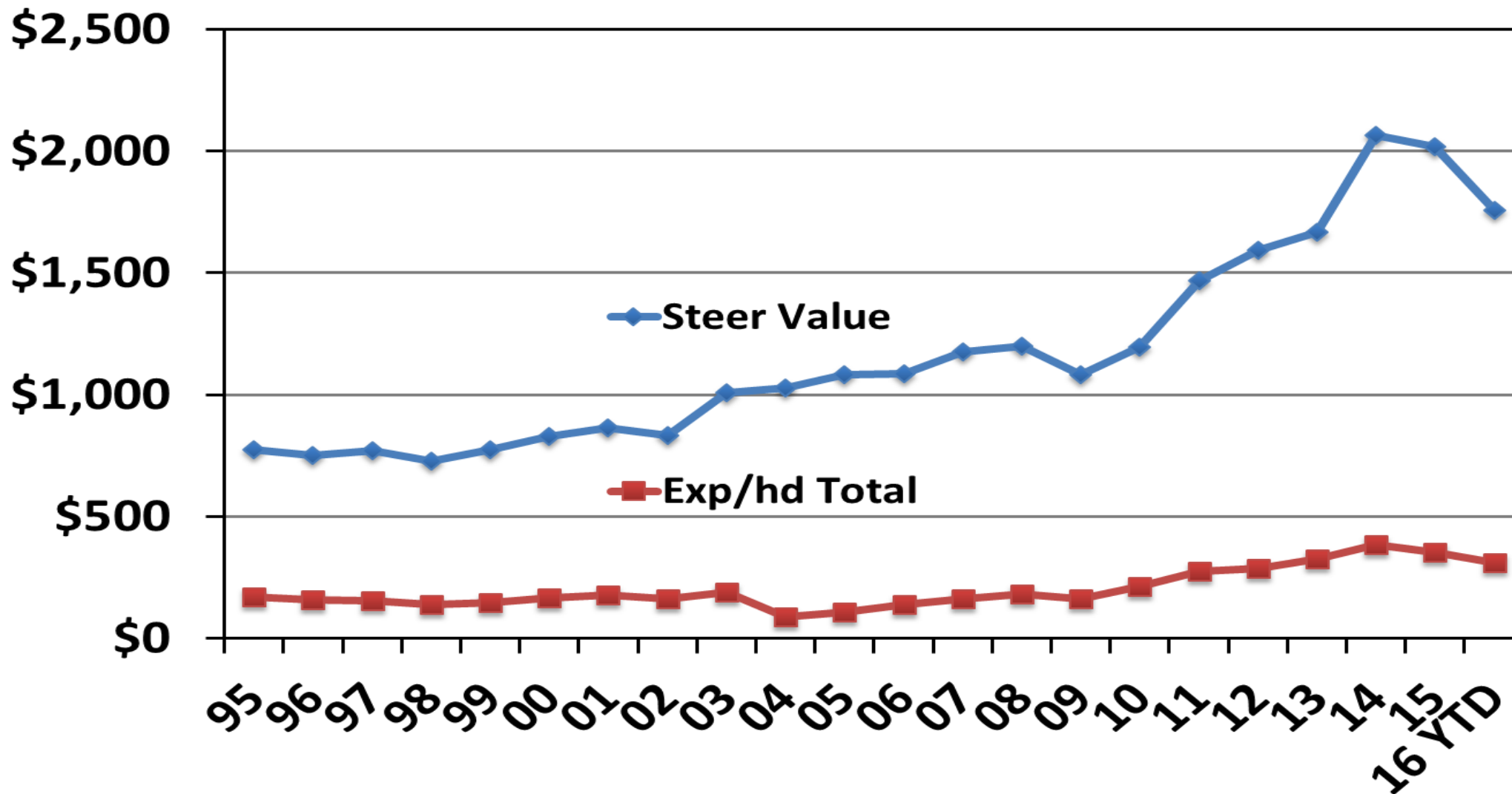


Beef and Offal Exports (US\$/Hd)





Cattle and Export Values (per hd)





Trump Administration Trade Agenda Targets

TPP

- Withdrew U.S. from TPP
- Engaged Japan on Bilateral / Japan Still Pursuing TPP Publicly / Japan-EU FTA
- Bilateral FTA with Japan is TOP PRIORITY for U.S. Beef Industry

China

- Mar-a-Lago Summit leads to 100 Day Action Plan (Beef was top of the to-do list)
- US Negotiators Returned from China with Protocol for U.S. Beef
- July 16 Deadline – we beat it by a few weeks! Slow growth in China but good long-term investment

NAFTA

- Trump gets elected on anti-NAFTA platform
- Differing views in White House – some attempts to restore MCOOL
- Administration notifies Congress of NAFTA renegotiation – August 16-20 in D.C.
- Our Position: Leave beef and cattle sectors alone. Don't bring back MCOOL



NAFTA Modernization

May 18: USTR Lighthizer notifies Congress of Administration's intent to renegotiate NAFTA with Canada and Mexico. Statutory 90-day consultation period begins.

July 16: Deadline for USTR to notify Congress of goals of negotiation.

August 16: Formal Negotiations begin in Washington, D.C.

NCBA Position: Leave us alone. Keep scope of negotiations narrow and finish negotiations ASAP so we can focus efforts on a bilateral FTA with Japan.

Important Development: Gregg Doud nominated to be USTR's Chief Ag Negotiator...hopefully confirmed soon (before August recess adjournment)