

USTR NEWS

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TRANSCRIPT: TRADE & AMERICAN AGRICULTURE

Vilsack, Froman Joint Ag Radio Broadcast

INTERVIEW HIGHLIGHTS

Growth in U.S. Agriculture Exports

- “We’ve had great growth in exports, last year over \$150 billion dollars of exports including a sizeable surplus in our trade picture in the agricultural sector.”

Trans Pacific Partnership Goals

- “We want a good deal –it is a very high standard deal, it is an ambitious deal, it’s got to be comprehensive.

Opening Japan and Canada to U.S. Ag Products

- “We’re working very hard to open Japan’s market. We’re going to be working very hard to open Canada’s market, and we’ve got to make progress on that front before we can bring a deal home.”

Reducing Tariffs for American Farmers and Their Products

- “We’ve made great progress in Vietnam, for example, and Malaysia. And these are countries that have 20 percent, 40 percent, 50 percent tariffs on our agricultural products, so to be able to chart out a course where those tariffs will be eliminated creates real opportunities for American farmers and ranchers and growers.”

FULL TRANSCRIPT

Sec. Vilsack: “Well thank you very much. I want to thank the Ambassador for taking time from his busy schedule to visit with us today. There are few things in the Department of Agriculture that are more important than agricultural trade and exports. We’ve enjoyed the five strongest years in agricultural trade in the history of the United States, and no small part because of agreements that have been reached in the past and the good work of the USTR office. We’re on track this year to have another record year. The first quarter of the fiscal year has outpaced even last year’s record year, so very important for us to focus on exports, not just to stabilize farm income, but also because nearly 1 million jobs are supported as a result of agricultural trade. And it means a lot to a number of commodities: 40 percent of the soybeans grown in this country are exported, 50 percent of the wheat, 70 percent of the almonds, walnuts, and pistachios, find their way someplace outside of the United States and 75 percent of our cotton is exported. Free trade agreements have improved trade, they have reduced tariffs, they have allowed us to compete on a leveler playing field. And obviously with the discussions and negotiations the Trade Representative is involved in today, with the trans-pacific partnership, a very significant and important opportunity for us to expand trade. The countries that are currently negotiating in that trade agreement represent 39 percent of global gross domestic product, but they represent 42 percent of our current exports. So it is a very important opportunity for us.

“We have concern at USDA that if we can’t get this finished done that other countries within TPP will negotiate bilateral agreements or other multilateral agreements which will put American agriculture at a disadvantage. So we are working closely with Ambassador Froman’s office, to assist and try to get a good solid deal for agriculture. Market access is the key and we have similar issues and challenges with reference to our European friends as well. But nevertheless, agriculture exports are extraordinarily important to production agriculture. It is one of the principle reasons why we’ve enjoyed the five best years from an income perspective in agriculture and we obviously want to continue that. So I want to thank the Ambassador for his work and for his teams work. We stand ready to work with him and these difficult negotiations that take place. But hopefully we ultimately get an agreement that American agriculture can use to grow and expand. So, Ambassador, thanks for being here.”

Ambassador Froman: “Well, thanks very much Mr. Secretary. First of all, I just want to say what a great relationship we have had with you and your team across all these negotiations and in our enforcement efforts. It’s been a terrific partnership and we really very much value the input and cooperation. As you mentioned, this is such a critical part of our export profile and of our economy. USDA has estimated that every dollar we export produces another \$1.27 in business in the US. Every billion dollars of Ag exports supports 6,500 jobs in the United States. And we now have over a million jobs, as you mentioned, supported by exports, and that means incomes for families, being able to support their kids and their grandkids, their communities in rural America – it’s a key part of keeping our economy and our country strong. We’ve had great growth in exports, last year over \$150 billion dollars of exports including a sizeable surplus in our trade picture in the agricultural sector. But we know there is much more that we can do by opening these markets, leveling the playing, making sure we are enforcing our trade rights, both in Asia and in Europe and around the world, we want to make sure that we are creating more opportunities for American farmers and ranchers and growers and their families. And that’s what it is all about, so it is a great pleasure to be here and to be working with you on this.”

Moderator: “We have time for one question, and that’s this. There’s been talk about April or May being a realistic time frame to reach a deal. Question, is that realistic? And second, where does President Obama’s visit to Asia this spring come into play, in terms of getting this deal done?”

Ambassador Froman: “I’d say our negotiators are working around the clock with their counterparts around the world to make as much progress as quickly as we can. And we’ve made some good progress, on the agricultural market access side, we’re closed with a number of countries, except for a couple of sensitive issues.

“We’ve made great progress in Vietnam, for example, and Malaysia, for example. And these are countries that have 20 percent, 40 percent, 50 percent tariffs on our agricultural products, so to be able to chart out a course where those tariffs will be eliminated, creates real opportunities for American farmers and ranchers and growers. So, what I always say is, the timetable of the negotiations will be dictated by the substance. We want a good deal –it is a very high standard deal, it is an ambitious deal, it’s got to be comprehensive. We’re working very hard to open Japan’s market. We’re going to be working very hard to open Canada’s market, and we’ve got to make progress on that front before we can bring a deal home.”

Moderator: “Any additional thoughts, Mr. Secretary?”

Sec. Vilsack: “I’d just simply say that we stand ready to work with Japan and Canada to work through these difficult and sensitive issues on a wide range of agricultural products. But it does take two to tango, and it does take a willingness on the part of Japan and Canada to be realistic and reasonable about how open their markets need to be in order for us to have that high standard agreement that the Ambassador talked about. We’re committed to it; we hope they are as well. And the presidential visit will put a fine point, a focus on the need for all of us to work hard to try to create an opportunity for that visit to be meaningful from a trade perspective.”

Moderator: “Agriculture Secretary Tom Vilsack, U.S. Trade Representative Michael Froman, thank you for joining us in the studio this morning.

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