

Jerry Hagstrom



Seeking free trade for ag goods

THROUGHOUT BOTH the Trump and Biden administrations, farm groups have pressured the White House to ask Congress for enhanced authority to negotiate new trade deals. Their aim is ultimately to reduce tariffs on U.S. agricultural exports.

That campaign was in evidence Wednesday when Farmers for Free Trade sponsored an event in the offices of the Distilled Spirits Council of the United States to launch the bipartisan Congressional Ag Trade Caucus, cochaired by House Ways and Means Trade Subcommittee Chairman Adrian Smith, subcommittee member Jimmy Panetta, and Agriculture Committee members Dusty Johnson and Jim Costa.

Farmers and their allies in Congress are unlikely to convince either President Biden or former President Trump to pursue trade negotiations because previous agreements have led to increased imports of manufactured goods that have angered the working-class Americans whose support is treasured by both candidates. Yet ag trade is likely to remain a top political issue, given that after exporting more food and agricultural goods than it imported for decades, the U.S. is now a net importer.

A panel discussion with four former U.S. agricultural-trade negotiators at the American Enterprise Institute on Monday illuminated several of the sticking points that will dominate ag trade in years to come.

Chief among them: the fate of the Trump-era tariffs on imports that led to retaliation against U.S. farm products. Joe Glauber, a former chief economist at the Agriculture Department who's now with the International Food Policy Research Institute and AEI, pointed out that Biden has yet to remove all the Trump tariffs. Should Trump win this fall's election, the trade war is also likely to accelerate: He's proposed a 10 percent tariff on all U.S. imports and a 60 percent tariff on goods from China. Glauber questioned whether the government should keep giving money to farmers to make up for lost sales in a trade war. The Trump administration provided \$25 billion through the Commodity Credit Corporation, the USDA's line of credit at the Treasury, when sales of U.S. farm products to China went down.

Gregg Doud, the chief U.S. agricultural-trade negotiator under Trump, urged the other panelists to read the book *No Trade is Free: Changing Course, Taking on China, and Helping America's Workers*, by Robert Lighthizer, Trump's trade representative. Doud, who is now president of the National Milk Producers Federation and has no role in this year's Trump campaign, said Lighthizer makes clear that Trump used tar-

iffs because they are "the only instrument we have" to offset unfair trade situations.

Sharon Bomer Lauritsen, who served both Republican and Democratic administrations as a civil servant-negotiator before launching the consulting firm AgTrade Strategies, countered that there is "a real risk" that the policies being considered by both Trump and the House's new select committee on China "could be a danger to American agriculture" if new U.S. tariffs result in further retaliatory levies on American farm products.

Darci Vetter, a chief agricultural-trade negotiator in the Obama administration, said, "Trade agreements are essential, they provide certainty" but the biggest issue facing agriculture is climate change, and there

are no international standards on how to calculate carbon emissions or the programs to reduce emissions or sequester carbon. Those issues can all become problems at the border as countries decide what they will and will not import, she said. Vetter, who is now head of global public policy for PepsiCo but said her views were her own, said the U.S. should be looking to the World Trade Organization to set worldwide standards. The United States, however, has objected to the WTO's dispute-settlement system for years.

Craig Thorn, who was a top U.S. ag-trade diplomat in Geneva before launching the consulting firm DTB Associates, added that the EU is putting in place regulations on sustainability that "could be tremendously trade-disruptive."

Doud said a lot of the trade disputes emanate from the difference between the mandatory regulatory approach the EU takes and the competitive U.S. approach. Noting that India and China also often "stop a good idea," Doud said the problem in multilateral negotiations is that it's difficult "to find a way for a vast number of countries to agree."

The panelists did not sugarcoat the difficulties that U.S. agriculture faces in the trade arena. Bomer Lauritsen and Thorn both said they do not believe Biden would pursue a different trade agenda in a second term. Glauber suggested that the issues now facing ag trade are much trickier than the trade norms the world developed between the end of World War II and the advent of the Trump presidency. But as Brazil and other countries become more aggressive competitors, a trade policy that helps American farmers is ever more vital. □



Soybean booths at a 2018 exhibition in China

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