

Congress of the United States
Washington, DC 20515

February 14, 2022

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Tai:

We write to you regarding trade issues that are important for the economic outlook of agricultural communities in Indiana, which we hope your agency will prioritize. The Office of the United States Trade Representative, in tandem with the Office of the Chief Agricultural Negotiator, has broad jurisdiction and responsibility over trade negotiations on agricultural market access, implementation and enforcement of agricultural commitments in trade agreements, and coordinating with federal and international agencies on trade strategy.¹ As you review and address the issues we've outlined, we request that you leverage all the resources and authorities Congress has provided USTR, thereby elevating the economic prosperity of producers, farmers, and ranchers in Indiana and across the nation.

The agriculture industry is a significant economic driver in Indiana, accounting for over \$31 billion of the State's economy and employing over 188,000 Hoosiers. Indiana is the eighth largest agricultural exporter in the nation with exports totaling over \$5.2 billion in 2020.² The Hoosier State helps meet the global demand for grain, hogs, poultry, beef, and other agriculture commodities. The continued success and economic outlook for this industry relies heavily on U.S. trade deals that are both fair and reciprocal. Over the past few years, we saw effective trade agreements enter into force, including the United States-Mexico-Canada Agreement (USMCA), China Phase One, and the U.S.-Japan Trade Agreement. These agreements expanded market access, reduced retaliatory tariffs, and modernized biotechnology regulations. We hope that you and your colleagues will build and expand on these trade agreements brokered by the previous administration.

In addition, we encourage you and your Chief Agricultural Negotiator, once confirmed, to prioritize the following issues, which are critically important for Indiana's agricultural economy.

- 1. USMCA Enforcement:** On July 1, 2020, USMCA entered into force, a major victory for domestic producers that included several needed reforms regarding biotechnology regulations. However, our focus now needs to be on enforcing the provisions within that agreement to make sure American farmers and ranchers get the full benefits of the bargain we fought so hard to achieve. As you know, in December 2020, President López Obrador issued a Decree stating Mexico's intention to phase out the use of glyphosate and genetically engineered corn for human consumption, contrary to Mexico's commitments in USMCA.³ It's important to note that Indiana is a top corn and grain producing state that has some of the safest biotechnology standards in the world. This action by Mexico would have a negative impact on Indiana, especially if those

¹ [USTR: Office of Agricultural Affairs](#)

² [USDA: Economic Research Service](#)

³ [USDA Foreign Agricultural Service: Mexico Publishes Decree to Ban Glyphosate and GE Corn](#)

regulations move beyond corn for human consumption to include animal feed. Furthermore, we understand that Mexico has not promptly considered U.S. applications for imports of several agricultural biotechnology products, as is required by USMCA.

Lastly, we are concerned that Canada isn't adhering to the spirit of commitments made in USMCA as its Tariff Rate Quotas (TRQs) for dairy products have been primarily reserved for processors rather than having an open application process based on demand.⁴ We appreciate the work of USTR in bringing forward and prevailing in a USMCA dispute on this topic. USTR, with your leadership, must now work vigorously to ensure Canada comes into full compliance with its obligations on dairy.

Will you ensure Mexico and Canada uphold their commitments in USMCA and leverage all the enforcement tools at your disposal?

2. **Supply Chain:** As you know, the ongoing supply chain disruptions and bottlenecks have had a negative impact on almost every sector in our economy, especially agriculture. Stakeholders in Indiana have expressed concern regarding the surge in fertilizer prices, which are approaching decade-highs,⁵ exacerbated by supply chain issues and global trade challenges.⁶ In addition, the capacity crunch and delays for computer chips are concerning for the industry since they are needed for almost all precision agriculture equipment.⁷ Will you work to alleviate these financial burdens for Hoosiers by expanding the U.S. fertilizer market, addressing semiconductor shortages with your colleagues, and increasing domestic access to other agricultural inputs?
3. **United States-United Kingdom Trade Negotiations:** The U.S. and U.K. began negotiations on a trade agreement in 2020, signaling an effort to grow the agricultural economy by giving domestic producers a level playing field in a significant foreign market. The U.K. is currently our 7th largest trading partner with exports totaling just over \$69 billion; however, they were only our 16th largest agricultural export market in 2019, with exports totaling \$1.7 billion.⁸ While the U.S. does export some agriculture products to the U.K., there are substantial barriers to U.S. meat exports, including poultry and beef.⁹ Our friends in the U.K. have long been strong trading partners, but we believe there is substantial room for growth. Will you commit to continue engaging in trade conversations with the U.K. to expand U.S. agricultural exports to this key market?
4. **Trade Deals with Emerging Economies:** A successful U.S. trade strategy must be holistic in its approach, and that means engaging in negotiations with emerging economies around the world. Our trade officials should leave no stone unturned when looking for opportunities to help our domestic producers improve their access to international markets. Do you plan on having an all of the above approach to your trade strategy that includes negotiations with developing countries? Trade negotiations with Kenya presents a real opportunity to set a high standard in our trade work with developing countries.

⁴ [U.S. Dairy Industry: Comments to Canada on Dairy TRQ Administration](#)

⁵ [USDA National Agricultural Statistics Service: Quick Stats](#) – Congressional Research Service Configured Data

⁶ [DTN Progressive Farmer: Producers Face Fertilizer Price Squeeze](#)

⁷ [Hoosier Ag Today: Chip Shortage Forcing Farmers to Plan Ahead](#)

⁸ [USTR: United Kingdom](#)

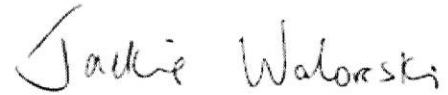
⁹ [Congressional Research Service: Major Agricultural Trade Issues in the 117th Congress](#)

We look forward to your continued communication and updates as you tackle these issues. Our farmers and rural communities are the backbone of this nation, and the policies that USTR implements have a meaningful impact on their livelihoods. We request that you always prioritize America's farmers, producers, and ranchers with every action you take.

Sincerely,



GREG PENCE
Member of Congress



JACKIE WALORSKI
Member of Congress



JIM BANKS
Member of Congress



VICTORIA SPARTZ
Member of Congress



TREY HOLLINGSWORTH
Member of Congress



LARRY BUCSHON, M.D.
Member of Congress



JAMES R. BAIRD
Member of Congress

CC:

The Honorable Tom Vilsack – Secretary, U.S. Department of Agriculture