

**Verbal Comments**  
**By Thomas A. Hammer, President**  
**National Oilseed Processors Association**  
**House Agriculture Committee**  
**Renegotiating NAFTA: Opportunities for Agriculture**

Good morning Chairman Conaway, Ranking Member Peterson and Members of the Committee. Thank you for calling this important hearing today to discuss renegotiating the North American Free Trade Agreement (NAFTA) and the opportunities to achieve the best deal possible for American Agriculture.

My name is Tom Hammer, President of the National Oilseed Processors Association (NOPA). NOPA is a national trade association that represents 13 companies engaged in the production of food, feed, and renewable fuels from oilseeds. It is noteworthy that our members process over 95% of the U.S. soybean crush.

My comments will focus on the U.S. soybean sector; and, also, on our most important customer group, the domestic meat and poultry sectors.

Agriculture represents NAFTA's biggest success story. Nevertheless, we stand ready to work with Members of Congress and the Administration to identify ways to renegotiate NAFTA to create new opportunities for Agriculture.

**NAFTA Benefits the U.S. Soy Sector in Two Ways:**

- 1. Increased exports of soybeans, soy meal, and soybean oil**
- 2. Increased exports of meat and poultry products that use soy meal as animal feed**

**NAFTA Objectives: Trade in Soybean and Soybean Products**

NAFTA has created significant market opportunities for U.S. exports of soybeans and soy products. Mexico is our number one (1) export market both soybean meal and soy oil; it is our number two (2) market for exports of soybeans. Canada ranks as our number three (3) market for U.S. exports of soybean meal and our number ten (10) market for soybean oil.

Unlike the tremendous "success stories" for U.S. soy, we are aware that there are major unresolved market access issues for U.S. exports of dairy, poultry and eggs to Canada.

I would like to comment on several of the key negotiating objectives that are of importance to NOPA. We are still in our internal review process and may have more to say on these negotiating objectives later.

### **Trade in Agricultural Goods:**

- Any renegotiation of NAFTA must preserve current market access levels for U.S agricultural commodities and products, including all tariff and duty preferences. In simple terms, “do no harm” to our current excellent export positions in Mexico and Canada is NOPA’s main objective.
- Resolving the long-standing Canadian policies designed to negatively impact exports of U.S. dairy, poultry and egg products is another top objective for NOPA.

### **Sanitary and Phytosanitary Measures (SPS):**

Implementing an expanded “Sanitary Phytosanitary (SPS)-Plus and Rapid Response Mechanism” consistent with, but improving on the Trans-Pacific Partnership (TPP) text, to ensure that science-based SPS measures are developed and implemented in a transparent, predictable, and non-discriminatory manner is a major objective for NOPA.

### **Biotechnology:**

Adding a new NAFTA Chapter on Biotechnology, which again was included in the final TPP text, is also a major objective for NOPA. Under a modernized NAFTA, NOPA requests that the U.S. government: (1) enter a mutual recognition agreement with Canada and Mexico on the safety determination of biotech crops intended for food, feed and for further processing, and (2) develop a consistent approach to managing low-level presence (LLP) of products that have undergone a complete safety assessment and are approved for use in another country/ies but not yet approved by a NAFTA member.

### **Summary:**

In summary, NOPA welcomes this opportunity, provided by this Committee, to identify ways to renegotiate the NAFTA while preserving the core benefits of the Agreement.

NAFTA has led to a tremendous expansion of the U.S. oilseed processing sector, with ripple effects that have benefitted the broader U.S. economy. Our business sectors have grown, people have been hired, and strong supply chains have been built based upon the current Agreement, so “do no harm” must be a guiding, overarching objective in the

negotiations. A renegotiation of NAFTA should, first and foremost, preserve current market access, including all tariff and duty preferences. Additionally, we ask that our negotiators fiercely protect the gains achieved in NAFTA to date to ensure these gains are not eroded in tradeoffs for gains to be achieved in other sectors of the American economy.

Thank you again for the opportunity to testify before this Committee. NOPA stands ready to work with the Members of Congress and the Administration as we commence this critically important renegotiation of NAFTA with our Canadian and Mexican trading partners.

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