

AGRICULTURE NEEDS TPP

The Trans-Pacific Partnership is Crucial for Nevada Agriculture

The Trans-Pacific Partnership (TPP) is a high-quality, comprehensive free trade agreement that includes Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, Japan, and the United States. The agreement would reduce tariffs and other trade barriers, open foreign markets to U.S. goods and services, and establish robust, science-based rules for trade among countries representing 40% of global GDP.

TPP will create thousands of new jobs and enhance the profitability of U.S. agricultural producers

- The agriculture-related benefits of TPP are estimated to lead to more than **40,100 new U.S. jobs**¹
- Net agricultural exports are expected to increase **\$5.3 billion a year** and net farm income is estimated to increase by **\$4.4 billion a year** as a result of TPP
- Eliminating tariffs and other trade barriers on U. S. agricultural exports to TPP-partner countries will increase trade for a range of U.S. agricultural products, including beef, pork, fruits and nuts, vegetables, soybeans, poultry, dairy, rice, cotton and processed food products

TPP will benefit Nevada's economy and enhance the profitability of Nevada agricultural producers

- The agriculture-related benefits of TPP are estimated to lead to more than **125 new jobs** in Nevada
- Net agricultural exports from Nevada are expected to increase **\$16.7 Million a year** and cash receipts are estimated to increase by **\$26.4 Million a year** as a result of TPP
- Eliminating tariffs and other trade barriers on Nevada's agricultural exports to TPP countries will increase trade for a host of Nevada agricultural products, such as Beef, Vegetables, and Processed Foods

TPP establishes strong, science-based rules for trade that create a fair playing field for U.S. producers

- TPP creates mechanisms to ensure TPP countries' food safety, animal health, and plant health requirements are transparent, grounded in science, and risk-based—and are not used to unfairly exclude products from other TPP countries

Delay or inaction on TPP will put the economy and U.S. leadership in the Asian-Pacific market at risk

- TPP is a vitally important opportunity for US agriculture to gain increased access to some of the world's fastest-growing middle class economies. If the U.S. does not ratify TPP, other countries will pursue bilateral agreements that will permanently put U.S. products at a disadvantage
- Even a one year delay in ratifying TPP will **cost the U.S. economy \$94 billion** in permanent lost national income²

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¹ Unless otherwise noted, economic impact data from: "Comments Regarding Effects of Trans-Pacific Partnership on the United States Agricultural Sector." American Farm Bureau Federation. February 2016.

² "The Economic Effects of the Trans-Pacific Partnership: New Estimates." Peterson Institute for International Economics. January 2016.



THE TRANS-PACIFIC PARTNERSHIP

Working for

NEVADA

American Farm Bureau Federation estimates that annual net farm income will increase by \$4.4 billion, driven by an increase of direct U.S. agricultural exports of \$5.3 billion per year upon full implementation of the TPP agreement as compared to a scenario in which the U.S. fails to pass the agreement while the remaining member countries proceed apace.

The TPP agreement is expected to increase cash receipts and net exports from Nevada by **\$26.4 million and \$16.7 million** per year respectively. It is estimated that the increased marketing opportunities for Nevada's farmers and ranchers will add more than **125 jobs** to the Nevada economy. Eliminating tariffs and other trade barriers on Nevada's agricultural exports to TPP-partner countries will increase trade for a range of Nevada agricultural products, including **beef, vegetables and processed foods**. Export sales make an important contribution to Nevada's farm economy, which had total cash receipts of **\$867 million in 2014**.

GAINS FROM FULL TPP IMPLEMENTATION NEVADA

Agricultural Product	Cash Receipts	Net Exports
Corn	61.3	-8.2
Soybeans and Products	0.0	0.0
Wheat	22.3	-10.0
Cotton	0.0	0.0
Rice	0.0	0.0
Fruits and Nuts	0.0	0.0
Vegetables	1,328.1	1,182.0
Beef	3,595.6	3,316.1
Pork	25.0	21.6
Poultry	10.7	2.9
Dairy	973.5	463.8
Other Ag	20,362.5	11,736.0
TOTAL	26,379.0	16,704.1

Thousand \$USD

NEVADA AGRICULTURE

Failure to Lead: It is critical to remember that the TPP is a multi-lateral agreement intended to create high quality rules and market access across its 12 members. However, outside of TPP, other member countries would – and indeed are – already negotiating and implementing bilateral agreements without waiting for the United States to complete action. While legally TPP would only go into full effect if the United States ratifies the agreement, other countries will move forward with their trade capabilities regardless of whether or not the United States decides to ratify the agreement. U.S. failure to enact TPP will not see our trade situation stay the same, but will lead to declining net exports and market share in important markets.

Beef: Nevada's cattle industry leads all other agricultural industries in the state with more than \$392.6 million in cash receipts in 2014. TPP passage is expected to increase beef cash receipts by \$3.6 million per year, which is driven by a \$3.3 million per year increase in direct exports to TPP countries.

- Japan will eliminate 74 percent of duties on beef imports within 16 years. This includes reducing a tariff of 38.5 percent to 9 percent within 16 years on fresh, chilled, and frozen beef cut. The World Trade Organization safeguard will also be replaced by the TPP-wide safeguard, which is predicted to be less trade-limiting.
- Japan's beef offal tariffs as high as 21.3 percent will be eliminated in 6-16 years.
- Malaysia's tariffs on imports of beef will be eliminated.
- Vietnam's tariffs as high as 34 percent on beef, will be eliminated in 3-8 years.
- New Zealand's tariffs as high as 5 percent on beef, will be eliminated immediately.

Dairy: Nevada's dairy industry produced \$170 million in cash receipts in 2014. TPP passage is expected to increase dairy cash receipts by \$973.5 thousand per year, which is driven by a \$463.8 thousand per year increase in direct exports to TPP countries.

- Japan's cheese tariffs as high as 40 percent, will be eliminated in 16 years.
- Japan's tariffs on whey will be eliminated, while establishing safeguards for whey powder, which will be terminated within 18 years. Whey protein concentrate will be terminated within 24

years. Whey for food tariffs, which currently face tariffs as high as 29.8 percent, will be eliminated in 21 years.

- Malaysia's dairy product tariffs as high as 5 percent, will be eliminated immediately.
- Vietnam's tariffs of 20 percent on cheese, milk powder, and whey will be eliminated immediately.
- New Zealand's and Brunei's tariffs on dairy products will be eliminated immediately.

Processed Food and Fish: In 2014, Nevada exported \$92.5 million of processed foods to TPP countries. As of 2012, there were 4,108 employees in Nevada's food manufacturing sector, with the largest percentage employed in the bakeries and tortilla manufacturing subsector.

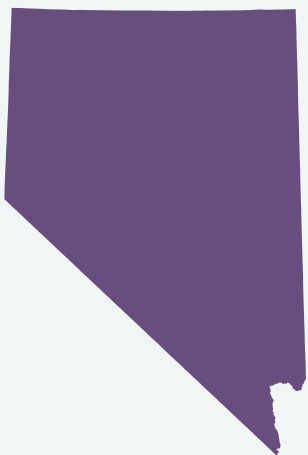
- Japan's biscuits, cookies, crackers, and other bread products tariffs, as high as 26 percent, will be eliminated in 6 years.
- Japan's uncooked spaghetti and macaroni tariffs will be reduced 60 percent in 9 years.
- Malaysia's processed products tariffs as high as 25 percent will be eliminated in 16 years.
- Vietnam's cookies, crackers, biscuits, breads, and starches tariffs as high as 55 percent will be eliminated in 8 years.
- New Zealand's majority of processed products tariffs as high as 5 percent will be eliminated immediately, with a few processed products tariffs being eliminated over 5 years.
- Brunei's processed products tariffs as high as 131 percent will be eliminated within 20 years.



Nevada

Trans-Pacific Partnership (TPP)

The Trans-Pacific Partnership (TPP) will boost demand for U.S. farm and food products among nearly 500 million consumers in 11 countries across the Asia-Pacific region. By reducing tariffs and opening new markets for American agricultural products, the TPP will help increase farm income, generate rural economic activity, and support local jobs.



Top 5

Nevada Agricultural Exports

- Beef and Veal 1
- Vegetables 2
- Dairy 3
- Feeds and Fodder 4
- Hides and Skins 5

1,300

Nevada jobs supported by
agricultural exports

\$173 million

Annual value of Nevada
agricultural exports

Source: USDA-ERS 2013 State Export Data

TPP Highlights



Beef and Veal

Japan's beef tariff, currently as high as 50%, will be reduced to 9%. Japan will eliminate duties on $\frac{3}{4}$ of tariff lines, including processed beef products. Vietnam will eliminate tariffs and Malaysia will lock tariffs in at 0%.



Vegetables

Malaysia and Vietnam will immediately eliminate all tariffs, and Japan nearly all tariffs, on fresh and processed vegetables. All three countries will eliminate tariffs on potatoes and potato products.



Dairy

Japan will eliminate tariffs on cheese and whey and create tariff-rate quotas (TRQs) for whey, butter, milk powder, and evaporated and condensed milk. Malaysia and Vietnam will eliminate tariffs on dairy products. Canada will eliminate tariffs on whey and create TRQs for cheese, fluid milk, butter and other products.



Wheat

Japan will create new tariff-rate quotas for wheat and wheat products and eliminate existing tariffs for processed products such as cookies and crackers. Malaysia and Vietnam will eliminate tariffs on wheat and wheat products.

TPP Resources

Office of the U.S. Trade Representative

- [Agreement Text, Summaries, Frequently Asked Questions, Fact Sheets, and State-Specific Data](#)

USDA Foreign Agricultural Service

- [USDA Fact Sheets, Summaries, and Key Resources](#)
- [Agriculture-Related Provisions of the Trans-Pacific Partnership: Detailed Summary](#)
- [Agriculture-Related Provisions of the TPP: Short Summary](#)
- [State-Specific Fact Sheets](#)
- [Commodity-Specific Summaries](#)
- [Commodity-Specific Info Graphics](#)

International Trade Administration

- [Data on Global Patterns of a State's Exports and State-by-State Exports to a Selected Market](#)

American Farm Bureau Federation

- [Farm Bureau Economic Analysis on the Effects of Trans-Pacific Partnership on the United States Agricultural Sector](#)
- [State-by-State Fact Sheets, Economic Analysis Executive Summary, Fact Sheets](#)

Peterson Institute for International Economics

- [Assessing the Trans-Pacific Partnership, Volume 1: Market Access and Sectoral Issues \(See Chapter 3, Agriculture\)](#)
- [The Economic Effects of the Trans-Pacific Partnership: New Estimates](#)
- [Why the Trans-Pacific Partnership Isn't a Bum Deal](#)

Third Way

- [TPP in Brief: Agriculture](#)

Other Resources

- [TPPnow.com](#)
- [TPPcoalition.org](#)
- [Business Roundtable: What is the TPP? \(video\)](#)

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