

June 20, 2017

The Honorable Kevin Brady
1011 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady:

The undersigned Texas agriculture groups urge you to strongly support the North American Free Trade Agreement (NAFTA) and work with the Trump Administration to ensure that renegotiation efforts do not erode our positive trade relationships with Mexico and Canada.

The U.S. is the world's largest exporter of agricultural and food products, and those exports account for 35 percent of U.S. farm income, according to the attached report, "Economic Impacts of U.S. and Texas Agricultural Exports to Canada and Mexico," released Feb. 16, 2017, by the Center for North American Studies (CNAS) at Texas A&M University. In addition, U.S. agriculture historically maintains a positive balance of trade. In FY 2017, USDA projects agricultural exports will total \$136 billion, while imports of farm products will account for only \$114.5 billion, leaving the U.S. with a net \$21.5 billion trade surplus.

Much of the success in expanding U.S. agriculture exports, especially from Texas, can be directly attributed to NAFTA. Since the agreement's enactment in 1994, worldwide U.S. agricultural exports expanded from \$46 billion to \$135 billion – a 192 percent increase. During that same period, U.S. agricultural exports to Mexico and Canada grew from \$10 billion to \$38 billion per year – a 288 percent increase.

Likewise, Texas agricultural producers and the state's economy have benefitted greatly from NAFTA. According to the CNAS study, in 2016 Texas agriculture exports to Mexico totaled \$833.5 million of which \$270.8 million were animal products and \$562.8 were plant products. Texas agricultural exports to Canada totaled \$875.1 million of which \$222.6 million were animal products and \$652.6 were plant products. The top four Texas agricultural exports to each country are listed in the following table.

Top TX Ag Exports to Mexico		Top TX Ag Exports to Canada	
Product	Value (\$ Million)	Product	Value (\$ Million)
Beef and Veal	141.7	Other Horticultural Products	230.3
Cotton	125.4	Beef and Veal	110.2
Sweeteners	64.5	Processed Grain Products	77.6
Corn	62.4	Food Preparations	77.3

NAFTA has been one of the greatest success stories in the history of U.S. agriculture, with Mexico and Canada becoming two of our best international customers. The total economic activity related to Texas agricultural exports to Mexico and Canada accounts for more than \$3.3

billion and supports 18,674 jobs. A successful renegotiation of NAFTA must protect and improve the market access and scientific standards that the agreement has provided Texas agricultural producers over the past 24 years.

Sincerely,

Texas Cattle Feeders Association
Texas and Southwestern Cattle Raisers Association
Texas Farm Bureau
Texas Association of Dairymen
Plains Cotton Growers, Inc.
Texas Rice Producers Legislative Group
Texas Poultry Federation
Texas Turkey Federation
Texas Egg Council
Texas Broiler Council
Texas Poultry Improvement Association
Texas Pork Producers Association
Texas Grain and Feed Association
Texas Agricultural Cooperative Council
Texas Forestry Association
South Texas Cotton and Grain Association
Texas Cotton Ginners' Association
Texas Independent Ginners' Association
Texas Wheat Producers Association
Texas Nursery & Landscape Association
U.S. Rice Producers Association
Texas Grain Sorghum Association
Corn Producers Association of Texas
Texas Sheep and Goat Raisers Association
Independent Cattlemen's Association of Texas
Texas Quarter Horse Association
Texas Soybean Association
Texas Wine and Grape Growers Association
Texas Citrus Mutual
Texas International Produce Association
Western Peanut Growers Association
Panhandle Peanut Growers Association