



June 6, 2017

The Honorable Donald Trump  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President:

National Farmers Union was pleased to hear of your intentions to renegotiate the North American Free Trade Agreement (NAFTA). For far too long, the United States has stuck to a free trade agenda that has resulted in a massive \$500 billion annual trade deficit, lost jobs, and lowered wages in rural communities. This renegotiation will give your administration the opportunity to reset the trade agenda by instituting a new, fair trade framework that works for family farmers, ranchers, and rural residents, while maintaining the positive trade relations upon which America's agriculture community relies.

Current U.S. trade policy favors multinational corporations, often to the detriment of family farmers and consumers. The elimination of Country of Origin Labeling (COOL) laws due to free trade agreements undermines independent cattle producers who proudly produce high-quality, American-grown beef. Prohibitions against COOL also deny consumers the opportunity to know what is in their food and where it is produced. Including a provision that allows for COOL on beef products must be a key priority in NAFTA renegotiations.

The National Cattlemen's Beef Association (NCBA), which represents the interests of multinational meatpackers, has publicly voiced their opposition to renegotiating NAFTA. However, NCBA's interests lie in maintaining high profit margins – not in improving conditions for family ranchers or consumers. While NAFTA has driven an increase in beef exports, it has also led to an increased beef trade deficit with both Canada and Mexico. From 1993 to 2015, the total U.S. beef trade deficit with Canada and Mexico increased by 131%, from almost \$1.2 billion to over \$2.7 billion.

The top four beef packers controlled 85 percent of the market, up from 69 percent in 1990. These multinational corporations take advantage of rules in NAFTA that allow companies to operate across borders. In fact, NAFTA provisions essentially encourage companies to shop for the cheapest production costs. Because of this, companies often raise cattle in Mexico and Canada and then bring the cattle back to the U.S. for slaughter and sale.

NAFTA has also contributed to a steep decline in the number of beef cattle operations in the United States. Between 1992 and 2012, the number of farms raising cattle and calves fell from 1,074,349 to 913,246, a decrease of almost 15%. At the same time, the number of the largest ranches – those with 5,000 or more head – increased from 704 to 1,124. The largest operations' share of the total cattle population increased from 10.4% to 17.9%.

The free trade agenda has not worked in the best interests of the U.S., Canada or Mexico and has had wide-reaching impacts on all sectors of our economy. While trade with our NAFTA partners is important to family farmers and ranchers, the agreement has contributed to increased consolidation in the beef industry and has pushed out small and mid-sized beef producers. It has also robbed American producers of the opportunity to proudly stand behind their product and denied consumers the right to know where their food comes from.

As you renegotiate NAFTA, we urge you to act in the best interest of American farmers, ranchers and consumers and restore the United States' sovereignty over farm and food policy. I look forward to working with your administration to reset the nation's failed trade agenda.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" being more prominent than the last name "Johnson".

Roger Johnson  
President  
National Farmers Union