



# Agricultural Trade Facilitation Act

## **Background**

Access to foreign markets is critical to American farmers, ranchers, and producers as well as to the district's and nation's economy. According to the United States Department of Agriculture's Economic Research Service (ERS), each \$1 billion in U.S. agricultural exports supports approximately 8,400 jobs.

From 2008 to 2010, the value of U.S. agricultural products averaged nearly \$107 billion annually. Compared to 1998 to 2000, when the total value of agricultural exports averaged \$51 billion annually, U.S. agricultural exports have more than doubled. However, there are continued reports that non science-based sanitary and phytosanitary (SPS) measures are restricting and acting as non-tariff barriers to trade.

SPS measures are those designed "to protect human, animal or plant life or health" from risks arising from additives, contaminants, pests, toxins, diseases, or disease-carrying and causing organisms in foods, beverages, feedstuffs, animals or plants. SPS measures can take such forms as specific product or processing standards, requirements for products to be produced in disease-free areas, quarantine regulations, certification or inspection procedures, sampling and testing requirements, health-related labeling measures, maximum permissible pesticide residue levels, and prohibitions on certain food additives.

The Agreement on the Application of Sanitary and Phytosanitary Measures, to which all WTO Member countries are parties, explicitly recognizes the rights of each country to take their own measures. However, SPS measures must be science-based and applied only to the extent necessary and cannot be arbitrary or used to unjustifiably discriminate domestically or against trading partners. The improper use of measures can create substantial, if not complete, barriers to U.S. exports when they are disguised barriers to trade, are not supported by science, or are otherwise unwarranted.

A USDA study of the impact of foreign technical trade barriers on U.S. agricultural exports reported the presence of "questionable technical barriers" in more than 60 countries affecting trade in more than 300 agricultural products. The United States Trade Representative (USTR) continues to assert that SPS "trade barriers prevent U.S. producers from shipping hundreds of millions of dollars worth of goods, hurting farms and small businesses".

The elimination and reduction of unwarranted SPS barriers to trade will increase U.S. agricultural exports and jobs. Moreover, the improper use of SPS barriers can be reduced through achieving and implementing agreements that provide for enhanced harmonization, transparency, equivalency, improved regulatory practices, and more efficient and effective dispute settlement.



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## **Summary of Bill**

The Agricultural Trade Facilitation Act establishes overall and principal negotiating objectives of the United States with respect to the application of sps measures to agricultural products for trade agreements between the United States and foreign countries.

The overall trade negotiating objective is to secure and reciprocal market access by strengthening the rules governing the application of sps measures to agricultural products. Eight principal trade negotiating objectives are established under the section.

The eight principal trade negotiating objectives are to: (1) Strengthen the requirement that the application of measures is based on scientific evidence; (2) Encourage parties to the agreement to participate actively in the development of the international standards relating to the application of measures and to apply those standards whenever appropriate; (3) Improve regulatory coherence and increase the use of systems-based approaches; (4) Require greater transparency in the development and implementation of the measures; (5) Require parties to the agreement to carry out risk analysis in a timely manner consistent with the guidelines developed by relevant international organizations; (6) Improve rules governing the testing of imported products; (7) Promote the harmonization of export certification requirements; and (8) Ensure that new sanitary and phytosanitary trade obligations are fully enforceable.

The Act would take effect on the date of its enactment and applies to negotiations entered into before, on, or after the date of enactment of any trade agreement relating to the application of sps measures to agricultural products.

The bill does not apply with respect to negotiations for the United States-Colombia Free Trade Agreement; the United States-Korea Free Trade Agreement; the United States-Panama Trade Promotion Agreement; and the Doha Development Round of the World Trade Organization.