

November 18, 2020

The Honorable Robert E. Lighthizer

United States Trade Representative

Executive Office of the President 600

17th Street, NW Washington, DC 20508

Dear Mr. Ambassador:

On behalf of America's farmers, ranchers and food producers, we write to express our strong support for a commercially meaningful, open and transparent relationship with the European Union that provides robust and dependable access for U.S. exports to the EU market. We are writing today to urge you to continue engaging the EU to secure the removal of compensatory and retaliatory tariffs on American food and agricultural exporters and to address bilateral compliance matters. In addition to these tariff concerns, many non-tariff barriers also impede U.S. food and agricultural exports to the EU that merit resolution.

As you are aware, rural America and our small businesses are facing a prolonged recession compounded by the closing of restaurants and bars in response to the outbreak of COVID-19. Our traditional agricultural trade surplus is in desperate need of new markets. Accordingly, protecting and expanding U.S. food, beverage and agricultural exports to Europe should be a top priority.

The EU first levied a 25% tariff on U.S. food and agricultural exports including American whiskey, sweetcorn, orange juice, and rice in June 2018 in response to U.S. tariffs on steel and aluminum. The tariff on certain products will increase to 50% in June 2021. In October 2019, the U.S. imposed tariffs on certain EU food and agricultural exports such as butter, cheeses, olive oil, pork, clams, distilled spirits and wines in connection to the World Trade Organization's (WTO) Airbus ruling.

On October 26, 2020, the WTO's Dispute Settlement Body authorized the EU to impose tariffs on U.S. imports valued at \$4 billion in connection with the WTO Boeing dispute. On November 10, 2020, the EU imposed tariffs on a wide range of American food and agricultural exports, including certain cheeses, agricultural equipment, distilled spirits, potatoes, nuts, fruits, juices, chocolate, and ketchup. This escalation of tariffs on U.S. food and agricultural exports will only further impact the competitiveness of our industries and erode important market share.

Given existing disruptions to trade, the impact of COVID, and weather-related events that have hit farmers this year, American food and agriculture needs stability, predictability and the ability to grow exports. For these reasons, we strongly urge the U.S. and EU to deepen trade discussions in order to bring about WTO compliance and therefore allow for the removal of tariffs to help unlock the opportunity for our producers to successfully access the European market. Concomitant with that goal, we also urge the uprooting of unfounded EU non-tariff barriers that impede the American food and agriculture sector's ability to fully realize the potential opportunities in the EU.

We appreciate your consideration of these important issues. If you have any questions or need any additional information, please don't hesitate to contact either Angela Hofmann at angela@farmersforfreetrade.com or Brian Kuehl at brian@farmersforfreetrade.com

Sincerely,

American Association of Port Authorities

American Bakers Association

American Farm Bureau Federation

American Seed Trade Association

American Soybean Association

Association of Equipment Manufacturers

Corn Refiners Association

Distilled Spirits Council of the United States

Farmers for Free Trade

International Dairy Foods Association

National Confectioners Association

National Corn Growers Association

National Council of Farmer Cooperatives

National Fisheries Institute

National Milk Producers Federation

North American Meat Institute

North American Millers' Association

U.S. Dairy Export Council

U.S. Dry Bean Council

U.S. Grains Council

USA Rice