



JAPAN AGREEMENT URGENT FOR U.S. WHEAT PRODUCERS

HUGE MARKET AT RISK

Japan has long been one of the largest, most valuable markets for U.S. wheat in the world, built on the investment of time and treasure by four generations of farmers and public funding by USDA's Foreign Agricultural Service. Those funds have built strong demand among Japan's flour millers for several classes of U.S. wheat grown in the Pacific Northwest to the Northern and Central Plains.

On average Japan imports about 3 million metric tons (MMT), or nearly 114 million bushels of U.S. wheat each year. When the Comprehensive and Progressive agreement for Trans-Pacific Partnership (CPTPP) was ratified without the United States, it began to steadily discount the effective tariff paid for imported Australian and Canadian milling wheat while leaving the U.S. effective rate unchanged.

Absent an agreement of our own, U.S. wheat imports would have become less and less cost competitive to the point that Japan's flour millers would have no other choice than to buy more of the lower cost wheat from the CPTPP member countries.

The "agreement in principle" announced in August 2019 helps protect U.S. exports that represent about 50 percent of the sophisticated and demanding Japanese wheat market, with average annual sales that make up more than 10% of total annual U.S. wheat exports.

NEW MARKETS NEEDED

USW and NAWG believe that resolving such trade issues can again lift the rural economy by opening new markets for our wheat and other agricultural exports and increasing access in existing markets. The organizations would now welcome new trade negotiations such as with countries in the rapidly growing Southeast Asian and South American regions.



“Washington wheat farmers have built our industry in large part on the specialized needs of the Japanese flour milling industry. Having an agreement in principle reached is great news - without a final agreement we would struggle to overcome the price advantage our competitors have through CPTPP.”

– Marci Green, Washington Association of Wheat Growers Past President and a farmer from Fairfield, Wash.



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U.S. Wheat Associates (USW) is the industry's market development organization working in more than 100 countries. Its activities are made possible by producer checkoff dollars managed by 17 state wheat commissions and through cost-share funding provided by USDA's Foreign Agricultural Service.

National Association of Wheat Growers (NAWG) is a federation of 20 state wheat grower associations that works to represent the needs and interests of wheat producers before Congress and federal agencies. Based in Washington, D.C., NAWG is grower-governed and grower-funded, and works in areas as diverse as federal farm policy, trade, environmental regulation, agricultural research and sustainability.



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