



**National Farmers Union
Special Orders of Business 2011**

FREE TRADE AGREEMENTS AND AGRICULTURE

WHEREAS, past free trade agreements such as the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA) did not perform as promised to U.S. agriculture, nor did they hold all participant countries to comparable U.S. standards for labor, environmental, health and food safety; and

WHEREAS, past trade agreements have allowed food imports into the U.S. that do not meet U.S. domestic food safety standards; and

WHEREAS, the service sector provisions of such agreement require financial deregulation and promote the global concentration of agricultural markets, agribusiness trading, and shipping; and

WHEREAS, U.S. trade agreements prohibit the use of "Buy America" and Buy Local procurement policies with respect to food and other products; and

WHEREAS, past free trade agreements and all pending trade agreements do nothing to address currency manipulation which puts U.S. producers at an economic disadvantage; and

WHEREAS, National Farmers Union policy calls for all U.S. trade agreements to address currency manipulation; and

WHEREAS, many countries in the last twenty years have implemented value-added taxes (VATs) to raise tax revenues while also providing significant trade export and import advantages; and

WHEREAS, the U.S. does not utilize value added taxes, and as such is at a significant disadvantage when trading with nations that do have VATs in place; and

WHEREAS, the U.S. does not have nor is in the process of developing any trade policy tools that could be utilized to equalize the inequities that result when the U.S. engages in trade with nations that do have VATs in place; and

WHEREAS, the Korea, Colombia and Panama FTAs contain a prohibition on reference to the International Labor Organization Convention; and

WHEREAS, NFU policy is in support of the Trade Reform Accountability Development and Employment Act which sets forth a new model to capture the benefits of trade expansion without replicating the damaging provisions of NAFTA and CAFTA; and

WHEREAS, U.S. environmental, health, labor and food safety standards continue to be at a higher level than those of Columbia or Panama; and

WHEREAS, the U.S. International Trade Commission predicts that the KORUS agreement would lead to an increase in the overall U.S. good trade deficit of \$308-416 million because seven U.S. industrial sectors will see

net losses and the Economic Policy Institute projects the agreement will cost the U.S 159,000 jobs in its first seven years; and

WHEREAS, the U.S. International Trade Commission predicts that the Korea FTA could result in the trade balance for some U.S. agricultural sectors being improved while some agricultural sectors would see declines; and

WHEREAS, South Korea is one of only three countries that the U.S. Treasury Department has officially cited as a currency manipulator and noted in its February 2011 Semiannual Report on International Economic and Exchange Rate Policies as currently intervening to hold down its currency's value; and

WHEREAS, currency devaluations and VATs have been used time after time in past trade agreements to more than offset any perceived benefits from additional tariff cuts and market access; and

THEREFORE, BE IT RESOLVED that NFU opposes the KORUS agreement even though additional agriculture access was granted to the U.S., especially in the meat and livestock sectors, and will not support such agreements until the below concerns are addressed;

BE IT FURTHER RESOLVED that NFU will not support trade agreements as long as they simply repeat and replicate the mistakes of the NAFTA-CAFTA model and do not adequately address currency manipulation or the inequities created by the use of VATs; and

BE IT FURTHER RESOLVED that NFU will not support the trade agreements with Columbia and Panama and other future trade agreements if they do not meet the standards of the International Labor Organization Conventions and products from such countries do not meet U.S. standards for environment, health and food safety and;

BE IT FURTHER RESOLVED that NFU will not support the Trans-Pacific Partnership (TPP) unless dairy is exempt from the negotiations between the U.S. and New Zealand, unless it does not include the NAFTA-CAFTA foreign investor and service sector deregulation provisions, unless all TPP countries are required to meet the International Labor Organization Convention standards for labor, and products from such countries meet U.S. standards for environment, health and food safety and unless such agreement adequately addresses currency manipulation.