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Japan's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations USTR-2011-0018

The free and fair flow of trade is essential to U.S. wheat producers as exports account for about half of their annual wheat production. In the most recent 2010/11 marketing year (MY), the United States exported over 35 million metric tons (MMT) of wheat, more than half of our annual production. World wheat trade in 2010/11 reached 132 MMT, with the United States accounting for nearly 27 percent of global exports.

U.S. wheat producers support the Trans-Pacific Partnership (TPP) negotiation. U.S. wheat exports to the eight current TPP partners totaled almost 2.0 MMT in MY 2010/11. Of those countries, almost 1.5 MMT went to countries with which the United States already has a free trade agreement. U.S. wheat producers do not stand to gain substantial new markets as the TPP membership currently stands; however, the industry recognizes and applauds the goal of making TPP the basis for a larger trade framework to include other countries, such as Asia Pacific Economic Cooperation (APEC) member countries. Expanding the TPP membership to this degree would create opportunities for U.S. wheat producers and companies associated with wheat exports. The Asia-Pacific region has long been a significant destination for U.S. wheat. In MY 2010/11, the 21 APEC countries imported more than 13.8 MMT of wheat, valued at \$4.1 billion. TPP membership should also be open to non-APEC countries that can meet the high standards set forth in an agreement.

U.S. wheat producers particularly welcome Japan's announcement and interest in joining the TPP. Japan is consistently a top importer of U.S. wheat, with more than 3.0 MMT imported every year over several decades. Wheat exports to Japan routinely represent more than 10 percent of total annual U.S. wheat exports. Meanwhile, Japan's total demand has been relatively stable at around 6.0 MMT.

The Boards of Directors for U.S. Wheat Associates (USW) and the National Association of Wheat Growers (NAWG) recently passed a resolution supporting the TPP agreement and encouraging other countries to join the discussion. The full text of the resolution reads: "We support a comprehensive TPP agreement that provides improved market access and includes ambitious language on 21st Century trade issues. We also encourage Japan, the Philippines and Indonesia to join the TPP framework." NAWG and USW applaud the efforts of TPP partner countries to maintain a high standard for the negotiations and a comprehensive agreement.

U.S. wheat producers support the TPP, and encourage the Administration to welcome Japan into this comprehensive agreement. Producers also recognize that Japan must commit to making tough reforms before they may gain admission into this high-standard agreement. U.S. wheat producers are hopeful that the Japanese government is ready to take the necessary steps to improve their trade opportunities and economic potential and participate in shaping a modern

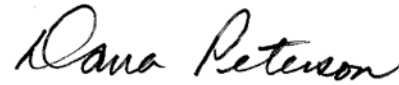
trade framework. We urge all parties to work quickly to reach agreement on a comprehensive outcome as well as bring in new member participants.

Sincerely,



Alan T. Tracy
President, USW

Sincerely,



Dana Peterson
CEO, NAWG

U.S. Wheat Associates (USW), the wheat industry's export market development organization, conducts training and provides information to customers in more than 100 countries on behalf of U.S. wheat producers. USW's activities are funded by producer check off dollars managed by 18 state wheat commissions and cost-share funding from the Market Access Program (MAP) and Foreign Market Development (FMD) program administered by USDA's Foreign Agricultural Service. USW works on behalf of U.S. wheat farmers to increase wheat exports by collaborating with foreign government officials and industry representatives to address market constraints and opportunities.

The National Association of Wheat Growers (NAWG) was founded more than 60 years ago by producers to work together for the common good of the industry. Today, NAWG works with its 21 state associations and many coalition partners to unite the wheat industry on issues as diverse as federal farm policy, environmental regulation and the future commercialization of biotechnology in wheat.