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Mexico's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations USTR-2011-0020

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 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 current eight 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.

Mexico is consistently a top U.S. wheat export market, coming in third overall on a five-year average. In MY 2010/11, Mexico imported 2.8 MMT of U.S. wheat valued at \$789 million. This positive relationship is due in part to open trade resulting from the North American Free Trade Agreement, as well as a strong market development effort to illustrate our competitive advantages. U.S. wheat producers do not currently face barriers to free trade with Mexico and expect a strong economic relationship to continue as Mexico's population grows along with its economy.

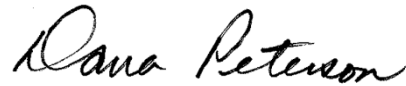
U.S. wheat producers support the TPP, and encourage the Administration to welcome Mexico into this comprehensive agreement if Mexico is willing to meet the entry requirements. U.S. wheat producers further request that the Administration actively seek out new countries to join when the timing is right. A strong Trans-Pacific Partnership (TPP) will create new jobs and economic opportunities for U.S. wheat producers and the entire wheat supply chain throughout the United States and TPP member countries. We urge all parties to work quickly to reach agreement on a comprehensive outcome as well as bringing 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.