

# USTR NEWS

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### **FOR IMMEDIATE RELEASE**

August 27, 2018

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### **UNITED STATES–MEXICO TRADE FACT SHEET**

#### **Strengthening NAFTA for Agriculture**

The United States and Mexico have reached an agreement to benefit American farmers, ranchers, and agribusinesses. While agriculture has generally performed well under NAFTA, important improvements in the agreement will enable food and agriculture to trade more fairly.

#### **Key Achievement: Maintaining Zero Tariffs on Agricultural Products**

Under a modernized agreement, tariffs on agricultural products traded between the United States and Mexico will remain at zero.

#### **Key Achievement: Setting Unprecedented Standards for Agricultural Biotechnology**

For the first time, the agreement specifically addresses agricultural biotechnology to support 21<sup>st</sup> century innovations in agriculture. The text covers all biotechnologies, including new technologies such as gene editing, whereas the Trans-Pacific Partnership text covered only traditional rDNA technology. Specifically, the United States and Mexico have agreed to provisions to enhance information exchange and cooperation on agricultural biotechnology trade-related matters.

#### **Key Achievements: Significant Commitments to Reduce Trade Distorting Policies, Improve Transparency, and Ensure Non-Discriminatory Treatment for Agricultural Product Standards**

Building on NAFTA, the United States and Mexico agree to work together in other fora on agriculture matters, improve transparency and consultations on matters affecting trade between the two countries, and provide for non-discriminatory treatment in grading of agricultural products.

The United States and Mexico agreed to several provisions to reduce the use of trade distorting policies, including:

- To not use export subsidies or World Trade Organization (WTO) special agricultural safeguards for products exported to each other's market.
- Improved commitments to increase transparency and consultation regarding the use of export restrictions for food security purposes.
- If supporting producers, to consider using domestic support measures that have minimal or no trade distorting or production effects and ensure transparency of domestic support and supply management programs.

To facilitate the marketing of food and agricultural products, Mexico and the United States agree that grading standards and services will be non-discriminatory, including for grains and that grading will operate independently from domestic registration systems for grain and oilseed varieties.

### **Key Achievement: Enhanced Rules for Science-Based Sanitary and Phytosanitary Measures**

In the Sanitary and Phytosanitary (SPS) Measures chapter, the United States and Mexico have agreed to strengthen disciplines for science-based SPS measures, while ensuring Parties maintain their sovereign right to protect human, animal, and plant life or health. Provisions include increasing transparency on the development and implementation of SPS measures; advancing science-based decision making; improving processes for certification, regionalization and equivalency determinations; conducting systems-based audits; improving transparency for import checks; and working together to enhance compatibility of measures. The new agreement would establish a new mechanism for technical consultations to resolve issues between the Parties.

### **Key Achievement: New Disciplines on Geographic Indications and Common Names for Cheeses**

For the first time in NAFTA, the United States and Mexico have agreed to geographical indication standards that: enhance transparency for opposition and cancellation proceedings for geographical indications (GIs); establish a mechanism to consult on GIs pursuant to international agreements; and allow for additional factors that may be taken into account in determining whether a term is a common name instead of a GI. In addition, for the first time in a United States trade agreement, Mexico and the United States agreed to not restrict market access in Mexico for U.S. cheeses labeled with certain names.

### **Key Achievement: Prohibiting Barriers for Alcoholic Beverages**

The United States and Mexico agreed to labeling and certification provisions that will help the countries avoid barriers to trade in wine and distilled spirits. Mexico agreed to continue recognition of Bourbon Whiskey and Tennessee Whiskey as distinctive products of the United States. The United States agreed to continue recognition of Tequila and Mezcal as distinctive products of Mexico.

**Key Achievement: New Protections for Proprietary Food Formulas**

The United States and Mexico agreed on the first ever Annex on Proprietary Food Formulas, which requires each Party to protect the confidentiality of proprietary formulas for food products in the same manner for domestic and imported products. It also limits such information requirements to what is necessary to achieve legitimate objectives.

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