



February 23, 2016

Dear Senator.:

On behalf of the National Cattlemen's Beef Association (NCBA), the oldest and largest national association representing the American cattle and beef industry, I strongly encourage you to support the Trans-Pacific Partnership (TPP) agreement and strive to implement this important trade agreement as soon as possible. While it may seem convenient to delay action on TPP until another time or under another president, America's cattlemen and women cannot afford to wait until next year or later to move forward with TPP.

The TPP removes massive tariff barriers on U.S. beef exports to the Pacific Rim countries and establishes science-based and market-driven terms of trade that will benefit our industry for many years. Exports alone accounted for over \$300 per head in 2015 and TPP will help that margin grow by removing tariff barriers in some of our major export markets including Japan—our largest beef export market at \$1.3 billion in 2015. TPP eliminates most tariffs on U.S. beef exports and reduces the tariff in Japan from 38.5 percent to 9 percent over 16 years. This is the greatest market access ever negotiated into the Japanese market.

U.S. cattle producers will continue to suffer from the missed economic opportunity until TPP is implemented, and while we wait, other countries are moving forward with bilateral agreements that continue to put us at a competitive disadvantage. There are approximately 260 preferential trade agreements currently in force worldwide, of which only 14 include the United States. For example, our leading competitor in the Japanese market is Australia. Australia and Japan have a bilateral trade agreement that was implemented on January 1, 2015, and as a result Australia has a 10 percent tariff rate advantage over U.S. beef. In 2015, we experienced a 19 percent decline in sales in Japan at a cost of \$298 million. As the tariff rate difference continues to grow we will continue to be less competitive in Japan and other countries will continue to take our market share. The only way to level the playing field for U.S. cattle producers is to implement TPP.

TPP may not be perfect, but it is a vast improvement over the status quo. Our lost market share in Japan is a daily reminder of our future without TPP, and that is the reality we will face until TPP is implemented. Our future success rests on our ability to compete on a level playing field in the Pacific Rim and TPP presents us with that golden opportunity. Now is the time to lead.

Sincerely,

A handwritten signature in black ink that reads "Tracy Brunner". The signature is written in a cursive, flowing style.

Tracy Brunner

President, National Cattlemen's Beef Association