



*"The Voice of Oregon's Wheat Producers Since 1926"*



---

## **OREGON WHEAT GROWERS LEAGUE**

115 SE 8th Street 📍 Pendleton, OR 97801 📞 541.276.7330 🌐 [www.owgl.org](http://www.owgl.org)  
Blake Rowe, *Outgoing* Chief Executive Officer, [browe@oregonwheat.org](mailto:browe@oregonwheat.org)  
Amanda Hoey, *Incoming* Chief Executive Officer, [ahoey@oregonwheat.org](mailto:ahoey@oregonwheat.org)

### **January 2020**

*Wheat is one of Oregon's and the PNW's leading agricultural exports. With approximately 90% of our production going into increasingly competitive global markets, we are very dependent on providing high quality wheat and excellent customer service to offset the high price of our wheat relative to other global suppliers. Completion of free trade agreements to protect or enhance market access is high priority.*

## **Initial Trade Agreement with Japan Restores our Competitive Position with Australia, Canada, and EU**

### **Japan is a top two market for US wheat exports overall and for Oregon's soft white wheat:**

- Oregon wheat growers were the first to go to Japan and opened the first wheat office in Tokyo in 1956. We have worked with other wheat states to grow that market for over 70 years.
- Japanese millers and bakers prefer our high quality, reliable, consistent soft white wheat.
- Our market share was at risk due to tariff reductions provided to Canada and Australia via CPTPP and European Union producers via the Japan-EU Trade Agreement.
- First phase of U.S. -Japan trade agreement provided U.S. with equal tariff treatment for wheat exports to Japan. We are very appreciative of the Administration's efforts to negotiate this agreement and for the support of our delegation during the process.

## **Ratification of USMCA is Critical**

### **Mexico is a top two overall market for U.S. wheat exports**

- USMCA maintains tariff-free access for U.S. wheat exports into Mexico.
- Tariff free access is critical to maintaining U.S. wheat exports to Mexico of nearly 3 million metric tons and to protecting long-term relationships with Mexico's milling and baking customers.
- We are very appreciative of the strong bipartisan support for USMCA in the House.
- Senate ratification and signing of USMCA by President Trump is an extremely high priority and we urge completion at the earliest possible time.

## Progress with China

### **China is a top five market for US wheat exports overall and a top six market for Oregon's soft white wheat**

- Wheat farmers are continuing to be hurt by China's retaliation to U.S. tariffs. China stopped buying our wheat in March 2018 and estimates of lost sales by US producers in 2018 totaled nearly 1.6 million metric tons (almost 59 million bushels), worth well over \$325 million. These losses continued in 2019 and will continue until tariff issues are resolved.
- Lost U.S. sales have been replaced by other producers, including Australia, Canada, the EU, and Russia.
- Lost sales translate into greater wheat inventories that help keep farmgate prices artificially low.
- Years of effort by U.S. wheat farmers and the U.S. government, through MAP and FMD, to develop relationships with customers in China continues to be disrupted.
- Successful challenges by the U.S. of China's TRQ implementation and China's Excessive Levels of Domestic Support will not provide significant benefit to U.S. wheat producers without resolution of trade disputes
- Critically important that tariffs on U.S. wheat exports to China be reduced/eliminated in first phase of any agreement with China. Resolution of tariffs gives producers and customers more certainty than one-time purchases.
- Our goal is to build long-term, reliable relationship with millers and bakers in China.