



FACT SHEET

Agriculture-Related Provisions of the U.S.-Japan Trade Agreement

The U.S.-Japan Trade Agreement will provide America's farmers and ranchers enhanced market access in our third largest agricultural export market. When implemented, this Agreement will enable American producers to compete more effectively with countries that currently have preferential tariffs in the Japanese market. The deal President Trump is delivering will provide our farmers, ranchers, and agribusinesses with market access for high quality U.S. food and agricultural products to 127 million Japanese consumers.

In the U.S.-Japan Trade Agreement, Japan has committed to provide substantial market access to American food and agricultural products by eliminating tariffs, enacting meaningful tariff reductions, or allowing a specific quantity of imports at a low duty (generally zero). Importantly, the tariff treatment for the products covered in this agreement will match the tariffs that Japan provides preferentially to countries in the CP-TPP agreement.

KEY ELEMENTS: U.S. AG EXPORTS TO JAPAN

Out of the \$14.1 billion in U.S. food and agricultural products imported by Japan in 2018, \$5.2 billion were already duty free. Under this first-stage initial tariff agreement, Japan will eliminate or reduce tariffs on an additional \$7.2 billion of U.S. food and agricultural products. Over 90 percent of U.S. food and agricultural imports into Japan will either be duty free or receive preferential tariff access once the Agreement is implemented.

Tariff Reduction: For products valued at \$2.9 billion, Japan will reduce tariffs in stages. Among the products benefitting from this enhanced access will be:

- fresh beef
- frozen beef
- fresh pork
- frozen pork

Tariff Elimination: Tariffs will be eliminated immediately on over \$1.3 billion of U.S. farm products including, for example:

- almonds
- blueberries

- cranberries
- walnuts
- sweet corn
- grain sorghum
- food supplements
- broccoli
- prunes

Other products valued at \$3.0 billion will benefit from staged tariff elimination. This group of products includes, for example:

- wine
- cheese and whey
- ethanol
- frozen poultry
- processed pork
- fresh cherries
- beef offal
- frozen potatoes
- oranges
- egg products
- tomato paste

Country Specific Quotas (CSQs): For some products, preferential market access will be provided through the creation of CSQs, which provide access for a specified quantity of imports from the United States at a preferential tariff rate, generally zero. CSQ access will cover:

- wheat
- wheat products
- malt
- glucose
- fructose
- corn starch
- potato starch
- inulin

Mark Up: Exports to Japan of wheat and barley will benefit from a reduction to Japan’s “mark up” on those products. Japan’s imports of U.S. wheat and barley were valued at more than \$800 million in 2018.

Safeguards: This agreement provides for the limited use of safeguards by Japan for surges in imports of beef, pork, whey, oranges, and race horses, which will be phased out over time.

KEY ELEMENTS: JAPAN AG EXPORTS TO THE UNITED STATES

The United States will provide tariff elimination or reduction on 42 tariff lines for agricultural imports from Japan valued at \$40 million in 2018. Products include:

- certain perennial plants and cut flowers
- persimmons
- green tea
- chewing gum
- certain confectionary products
- soy sauce

The United States has also agreed to modify its global WTO tariff rate quota for imports of Japanese beef, enabling Japanese beef producers to compete for a larger share of the global TRQ quantity.

MOVING FORWARD

With Japan's \$5 trillion economy, this Agreement will expand U.S. food and agricultural exports, increase farm income, generate more rural economic activity, and promote job growth.

President Trump and Prime Minister Abe have agreed that these early outcomes will be followed by further negotiations to address remaining areas of interest to each government. The United States and Japan will continue working to achieve a comprehensive trade agreement that results in a more fair and reciprocal trade and economic relationship.

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