

**Testimony – Russell Boening, President, Texas Farm Bureau
North American Free Trade Agreement (NAFTA)
U.S. Senate Committee on Finance
Subcommittee on International Trade, Customs, and Global Competitiveness
Monday, November 20, 2017**

Chairman Cornyn,

I am Russell Boening, President of the Texas Farm Bureau. Thank you for the opportunity to testify and share how important the North American Free Trade Agreement is to agriculture.

Texas Farm Bureau is the largest general farm organization in the state and represents over 500,000 member families. These families and many others work hard daily to provide food and fiber across the world. They rely heavily on foreign trade in order to meet this important goal.

Agriculture is one of the most important industries to Texas. Food and fiber products produced in Texas contribute over \$135 billion dollars annually to our state economy.

The top agricultural goods produced in Texas are beef, cotton, wheat, and feed grains. These commodities account for about two-thirds of our states' agricultural products.

More than 25 percent of all U.S. agricultural production ultimately goes to markets outside of the U.S. This is one reason trade agreements, such as NAFTA, are critically important to farmers and ranchers.

Due to NAFTA, U.S. agricultural exports to Canada and Mexico have quadrupled from \$8.9 billion dollars in 1993 to over \$38 billion dollars today. This trade agreement has made these two countries our second and third largest agricultural export markets.

In 2016, Texas agricultural exports to Mexico totaled approximately \$834 million dollars. The top four agricultural exports to Mexico were beef and veal valued at \$142 million dollars, cotton at \$125 million dollars, sweeteners at \$65 million dollars, and corn at \$63 million dollars.

The thousand-mile border between Texas and Mexico gives us an obvious marketing advantage over other states. It is important that we keep this market strong and work to expand it through the NAFTA renegotiation.

In Texas alone, agricultural exports to Canada totaled more than \$875 million dollars in 2016. The top four agricultural goods exported to Canada were horticultural products at \$230 million dollars, beef and veal valued at \$110 million dollars, processed grains at \$78 million dollars, and food preparations at \$77 million dollars.

Additionally, NAFTA has strongly benefited the U.S. and Texas economies. U.S. agricultural exports to Canada and Mexico account for over 509,000 jobs according to the Center for North American Studies. Texas agricultural exports to these countries employ approximately 19,000 people.

There is no doubt that NAFTA has increased demand for U.S. agricultural goods, lowered input and production costs, and spurred our economy. Leaders involved in NAFTA renegotiations must recognize the gains achieved by American agriculture and assure that trade with Canada and Mexico remains strong.

While Texas Farm Bureau recognizes the many achievements of NAFTA, the trade agreement is over two-decades old. We commend the administration for looking at ways to break down existing trade barriers and produce a better deal for America. We welcome any modernizations to NAFTA that will further expand market opportunities for farmers and ranchers.

It is important to note that net farm income has dropped 50 percent from just four years ago. This is the largest four-year percentage decrease since The Great Depression. Due to the current state of the farm economy, a full withdrawal of the U.S. from NAFTA would devastate the entire agricultural community and our nation. We must make certain this does not happen.

Texas Farm Bureau looks forward to our continued work with congressional leaders and the administration to make NAFTA the best it can be for our hardworking farmers and ranchers. Thank you again for this opportunity to testify.

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