

# TRADE

## INTERNATIONAL TRADE

State departments of agriculture promote their states' agricultural commodities and value-added food and agricultural products in foreign markets. State departments of agriculture lead trade missions around the world, as well as trade shows both domestically and internationally to create and enhance export opportunities for farmers, ranchers, and food manufacturers.



### Food & Agricultural Sector Depends on Trade

As crop prices and farm incomes are down, international trade is even more important to farmers and ranchers. USDA has estimated that each dollar in ag exports generates an additional \$1.27 in U.S. economic activity, and ag exports support more than one million full-time civilian jobs, including 751,000 jobs in the nonfarm sector. Thus, food and agricultural exports generate additional on-farm income, but they also support thousands of jobs along the supply chain in both rural and metropolitan areas.

1,000,000

Full-time civilian jobs supported by U.S. ag exports.

\$133.1 BIL

Value of U.S. ag exports in 2015 which produced a total economic output of \$302.5 billion.

1:8,000

Every \$1 billion of U.S. ag exports in 2015 supported approximately 8,000 American jobs throughout the economy.

### North American Exports Are Critical

The North American Free Trade Agreement has provided U.S. ag producers and food manufacturers with unparalleled access to the Canadian and Mexican markets, which have now long stood as two of the top three exports markets for food and agricultural products. Successful ratification and implementation of the United States-Mexico-Canada Agreement as well as a resolution to the Section 232 tariff issue is crucial to ensure our North American neighbors remain our closest partners.

### The U.S. Must Pursue New & Emerging Markets

Our competitors aren't standing still as they ink new trade agreements, which place U.S. agriculture at a competitive disadvantage due to lowered tariffs and nontariff barriers. The U.S. should aggressively pursue bilateral and regional

trade agreements, especially in the Asia-Pacific region, to lower tariffs while also writing the "rules of the road" for international trade.

### Retaliatory Tariffs Are Hurting the Agricultural Economy

The World Trade Organization's (WTO) Dispute Settlement Body (DSB) is a crucial forum for addressing trade disputes the U.S. and its farmers and ranchers raise with international partners. It's important the United States fully utilizes and exhausts the dispute settlement process before turning to the implementation of tariffs, which have led to retaliatory tariffs against many U.S. food and agricultural products. Retaliatory tariffs from China, Mexico, Canada, the European Union, and Turkey have depressed commodity prices and restricted access for value-added food products as well.



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# FSMA

## Food Safety Modernization Act Implementation

Ensuring a safe food supply is a top priority for the National Association of State Departments of Agriculture (NASDA). The Food Safety Modernization Act (FSMA) fundamentally shifts the country's system from reactive (recalls and trace back) to preventive (education and evaluation). Following a spate of major food-borne illness events, Public Law 111-353 was signed into law in early 2011, charging the Food and Drug Administration (FDA) with remaking our food safety system.



## States have a substantial role in implementing FSMA.

State Departments of Agriculture and other state agencies are charged with implementing significant portions of FSMA, notably:

- Produce Safety Rule (including special provisions for sprout production)
- Preventive Controls for Human Food
- Preventive Controls for Animal Food

Other rules that implement key portions of FSMA include Foreign Supplier Verification Program (FSVP), Intentional Adulteration, and Sanitary Transportation of Food.

Currently, 46 states and one territory have entered into cooperative agreements with FDA to educate and/or regulate farms subject to the rule based on a Model Framework NASDA developed through our FDA agreement. A joint NASDA-FDA Implementation Group adds appendices to help guide states in program best practices. A similar framework for Animal Food Safety is available.

## Key Issues for Successfully Implementing FSMA:

- **Resources for states to implement FSMA are vital:** NASDA estimates that the states will need at least \$100M total per year for the states' efforts to implement the three major rules.
- **Reconsidering Portions of the Produce Safety Rule:** FDA has announced the agency is reconsidering options to modify the current agricultural water standard, definition of "farm" and way it regulates packing houses. Making changes to these requirements is supported by NASDA as necessary adjustments to the rule.
- **Parity between domestic and foreign produced foods:** Congress achieved bipartisan support for FSMA by requiring that all fruits and vegetables must meet the same standards – regardless of where they are grown – foreign or domestic. FDA will have to assure domestic producers – and consumers – that the agency is accomplishing this goal.
- Other key issues include regulator training, duplicative inspections, and the guidance issued by FDA to implement its rules.



Learn more at [www.nasda.org/fsma](http://www.nasda.org/fsma).

# FSMA (continued)

## Working Together to Improve Food Safety

As part of NASDA's guiding principle towards farm's FSMA compliance, "educate before you regulate," a team comprised of NASDA, State, FDA, and Cooperative Extension food safety leaders developed the **On Farm Readiness Review (OFRR)**. Designed to move farmers away from the audit checklist scheme, the OFRR is meant to foster a dialogue between the farmer and the regulator and/or educator about the requirements of the Produce Safety Rule. *Learn more and find out how to sign-up for an OFRR at [www.nasda.org/ofrr](http://www.nasda.org/ofrr).*



### Benefits of OFRR:

1. **Voluntary:** Farmers request an OFRR from their state department of agriculture and/or extension agent.
2. **Conversation:** Over the course of a couple hours, scheduled at the convenience of the farmer, the reviewer observes growing conditions, harvesting practices, packinghouse operations, water sources, and discusses common food safety touch-points specific to the farm.
3. **Useful Assessment:** At the end of the review, the assessor provides their top three suggestions for the farm to improve its food safety practices. Afterwards, the farmer is connected with educational materials and resources to assist with solutions to achieve compliance with FSMA.
4. **Peace of Mind for the Grower:** This program has been designed to also educate the farmer on the inspection process and provide a level of comfort with the new requirements imposed by FSMA.
5. **Public Health Assurance:** Regulators and educators are on farms advancing food safety within our food system using the On Farm Readiness Review model.
6. **Confidential:** Careful consideration has been given to protecting farm information from prying eyes unless an immediate threat to public health is detected.



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# ANIMAL BIOTECH

## ANIMAL BIOTECHNOLOGY

Animal Biotechnology is the use of molecular biology techniques to modify the genome of animals in order to improve their health, well-being, agricultural production, and protection against diseases. More recently, genome editing technologies (Zinc Finger Nucleases, TALENS, and CRISPR-Cas systems) have opened up new opportunities to easily create genetic variations in animals that can easily be obtained through conventional genetic selection and breeding.



### Key Points

- Biotechnology plays a critical role in meeting a number of producer, consumer, and societal needs;
- Animal Biotechnology is currently being regulated as an “animal drug” under FDA authority granted by the Federal Food and Drug Cosmetic Act (FFDC);
- Each specific genomic alteration is considered to be a separate new animal drug subject to new animal drug approval and requirements;
- FDA is currently reviewing “Guidance for Industry 187”, which describes the process the FDA will take in regulating biotechnology-derived animals;
- Not a single food animal derived from biotechnology is currently available in the United States. To date AquAdvantage Salmon is the only animal biotechnology food product approved in the United States and sold in Canada

### Our Message

NASDA urges a concerted effort by federal and state agency partners, as well as impacted stakeholders, to ensure that animal biotechnology products are approved in a timely manner, while supporting and encouraging education to consumers to increase understanding and acceptance of the technology.

NASDA supports the Coordinate Framework principles that guide federal regulatory policy for biotechnology:

- Federal oversight should focus on the characteristics and risks of the product, not the process, used in its development;
- Regulatory review should be designed to minimize burden while ensuring protection of public health and welfare;
- Regulatory programs should be responsive to rapid advances in biotechnology.



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# WORKFORCE

## WORKFORCE DEVELOPMENT

By 2026, nearly 25 percent of the U.S. workforce will be 55 and older (BLS). The agricultural and food sectors hold more than 21 million full and part-time jobs, and that number continues to rise annually (ERS). This means that in less than nine years, more than 5.35 million jobs will be available in the agriculture and food sectors.



### TOP LINE

NASDA is committed to working with the federal government and private industry to identify and address agricultural workforce challenges.

NASDA encourages the federal government to recognize career pathways in the food, agriculture and natural resource industries and make necessary investments in these focus areas to develop a secure, reliable workforce.

NASDA seeks to address agricultural workforce across the spectrum of production, from harvesting to research.

### Labor and Immigration:

Any legislation must include assurance of a future workforce from both a flexible and efficient visa program and by retention of current workers. A legislative solution must address:

- Respect for and recognition of the importance of our current experienced workforce to the sustainability of US-based agricultural production and food security
- A mechanism to earn legal status based on agriculture work experience
- Availability to work in all types of agriculture, not limited to seasonality
- A market-based approach to wages
- Ability to meet expanding labor needs without arbitrary limits

**12.6 %**  
Total American household expenditures spent on food

Without a dependable workforce, the price and productivity of food could negatively impact U.S. consumers.

### Connections to STEM Careers

- Classroom Education: NASDA supports the expansion of the school-based agricultural education that aligns with the Agricultural, Food and Natural Resource (AFNR) content standards

### Work Based Training & Certifications:

- NASDA encourages the U.S. Departments of Labor and Education to work with NASDA and the agriculture industry at large to expand work-based training, including apprenticeships and micro-credentials to address skilled and unskilled labor shortages.



# WORKFORCE (continued)

## Agency Collaboration:

- The U.S. Departments of Agriculture, Labor and Education must collaborate to create standards, platforms and resources that address workforce needs.

## Youth Leadership & Community Development

- NASDA supports community and youth development that encourages awareness and understanding of the agriculture, food and natural resources industries and their potential career opportunities. Organizations such as 4-H and the National FFA Organization play a key role in developing tomorrow's workforce.

## Redefine Agricultural Employment

- To better understand the breadth, depth and scope of the agriculture, food and natural resource sectors through data analysis and to promote employment within the sector, NASDA seeks to redefine "agricultural employment" under the Fair Labor Standards Act and "agricultural labor" under the Internal Revenue Code. A new definition will better reflect today's mechanized and advancing industry while expanding its statistical impacts.



## RURAL AMERICA

Rural America continues to see high migration of young adults. Low wages and career limitations continue to push individuals into urban areas. As we invest in education and jobs catered to all skill-sets, marketability of Rural America as a manufacturing destination provides new opportunities for rural economic development. Additionally, partnerships between education and industry give young people the chance to earn a living in rural communities.



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