

**Testimony before the  
Subcommittee on Nutrition, Foreign Agriculture and Horticulture**

**Hearing on  
Stakeholder Perspectives on Agricultural Trade**

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Subcommittee Chairman Finstad, ranking member Hayes, and distinguished members of the subcommittee on Nutrition, Foreign Agriculture and Horticulture, thank you for the opportunity to appear before you today to share my perspective on the future of U.S. agricultural export opportunities for American's farmers and ranchers.

The future for U.S. agricultural exports is bright, assuming that supportive trade, farm, and regulatory policies are in place and that we invest in our infrastructure in ways that facilitates these exports. For the vast majority of the past three decades, I have worked in various capacities in and out of government on a multitude of export market access issues across many agricultural commodities. During this time U.S. farmers and ranchers have struggled to gain market access internationally due to high tariffs, and many difficult non-scientific sanitary and phytosanitary (SPS) trade barriers. These barriers are long standing, for example China blocking all wheat produced in the U.S. Pacific Northwest due to TCK and the very first ever trade case at the World Trade Organization (WTO) versus Europe over beef hormones.

Much has been accomplished over the years, which allowed U.S. ag exports to reach a record \$196 billion last year. However, there is still so much more work to be done. The strategy going forward must seek to leverage every opportunity to increase U.S. market access despite the absence of Trade Promotion Authority (TPA). TPA would certainly be a preferable element of a successful strategy to enhance U.S. agricultural exports and I agree with those who believe bilateral trade agreements with the United Kingdom and Kenya should be pursued. However, there are still many ways to make progress and improve market access, even without TPA.

A free trade agreement negotiation with the United States is not an easy objective for any country. I believe many in agriculture underestimate the effort, including the engagement with Congress, that is necessary to bring such an initiative to a successful conclusion. I've been involved, as a cleared advisor or as a government official, in ten different negotiations. They're a heavy lift but bilateral trade deals have provided enormous benefits over the years. Personally, I

am most proud of the agreement we have with Japan and the long-standing relationship between U.S. farmers and ranchers and Japanese consumers.

In my experience, it can take about ten years before we typically begin to fully realize the market access stipulated in most of the bilateral trade agreements we have completed. This, combined with the fact that our competitors have been much more aggressive than we have in terms of pursuing bilateral deals to the strategic benefit of their farmers, is why we cannot continue to sit idly by as global agricultural commodity market access gets carved up.

I could give many examples over the years where SPS issues have been resolved via the sheer fortitude of our incredible government officials at USTR and USDA's Foreign Ag Service in coordination with the many cooperator programs that leverage farmer paid checkoff dollars in combination with taxpayer funds. The return on investment of these funds, used in combination with USDA's Foreign Market Development (FMD) program, Market Access Program (MAP), and Technical Assistance for Specialty Crops (TASC) has been without a doubt our best investment in the future of U.S. agriculture. The surest way to increase U.S. agricultural exports in the future is to expand upon these hugely successful programs so that we may expand our ability to find and develop new markets around the world. I also think the creation of the Undersecretary of Trade position at USDA has been a marvelous strategic decision, further elevating the importance of agricultural trade within the USDA, and the U.S. Government.

Going forward we need:

- Other countries to understand that the U.S. is willing to make agricultural trade a priority in our relationship.
- Infrastructure improvement – both domestically and in our customers' countries – such as improvement in cold chain infrastructure and technologies. We have a tremendous advantage in value-added agricultural exports and much work is yet to be done to reach our potential in this area.
- To continue and expand on the excellent work that has been done by USTR and USDA in the past decade to help countries utilize and understand the critical importance of international standard setting bodies such as CODEX to foster the acceptance of technological innovations in agriculture.

I understand that some may be disappointed that I am not including the World Trade Organization (WTO) in terms of an improved market access strategic objective. I can appreciate this, but frankly as long as China and/or India can unilaterally crush such efforts, the WTO is going to continue to be a frustrating place to realize achievement. A new approach is needed at the WTO if there is to be any possibility of making progress in this important multilateral forum.

For the past couple of years, I have worked for a firm, Aimpoint Research, that specializes in advising agricultural firms regarding future trends in agriculture – 5, 10, 20 years out. The pace of change regarding the technology utilized in today's food industry, both in the U.S. and internationally, is rapidly accelerating. New products come to market practically every day. I have every confidence that U.S. producers, processors, and exporters will utilize these

technologies to not only increase production but also to improve the quality of food for consumers all over the world. However, this assumes they have the resources, tools, and appropriate regulatory framework in place to do so.

The challenge will be how our customers, and their governments, accept and adapt to these new technologies. We must not allow the recalcitrance of a few to inhibit the way forward. As I explained to my Chinese counterpart during the Phase I negotiations, we will never apologize for pursuing new technologies in agriculture. To be successful, this topic of technology and innovation in producing more, better, safer, and more sustainable food will still fall back on the basic principles of international trade. We must continue to foster our relationships and build trust with our customers. There is a role for all of us to play in this effort.

The U.S. private sector spent \$12.3 billion pursuing new innovation and technologies in agriculture in 2021 and \$10.6 billion in 2022. My most pressing concern is getting our government and other governments around the world to approve these technologies so these innovations, which improve the environment, safety, and nutrition of the food we produce for consumers everywhere, can be commercialized. Given recent regulatory developments in Canada and South American countries, the U.S. is falling behind in this aspect. The U.S. government must expeditiously implement regulatory frameworks for new technologies that are risk proportionate and accessible to all types of entities, big and small, public and private.

I share the view of many who believe the greatest opportunity ahead involves our ability to grow and export protein, all types of protein, including meat, dairy, and plant-based, around the world. Over the next ten years, the supply of protein in the world will not come anywhere near meeting global demand. Without question, the country that can best meet this demand is the United States. This opportunity is ours for the taking, if starting today, we set upon a winning strategy to meet this challenge.

As a partner in a cow-calf operation myself, I look forward to being a part of this strategy and this great nation's ability to meet this global demand.