



***U.S. Canola Association
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April 5, 2019

The Honorable Robert Lighthizer
Ambassador
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Lighthizer,

On behalf of the U.S. Canola Association (USCA), I write to request that concerns of the canola industry be considered under the recently announced trade talks with Japan. As you likely know, Canada completed the CPTPP Agreement with Japan as well several other Pacific countries on December 30th. Under this agreement, tariffs on Canadian crude and refined canola oil are scheduled to fall to zero by April 1, 2023. As such the USCA requests that any U.S. Free Trade Agreement with Japan reduce the tariff for U.S. canola oil to zero as well. The Canola Council of Canada states that in the past, heavy tariffs in key markets like Japan and Vietnam prevented Canadian canola from receiving full value and hurt its chances of breaking into new global markets. But with the CPTPP Canada will gain preferential access to these markets, making U.S. canola less competitive.

Since the canola market in the U.S. is a vital part of the North American canola market, the USCA seeks to ensure that canola oil exported from the U.S. also be granted these tariff reductions to ensure a uniform competitive environment for U.S. producers and processors of canola.

The U.S. has a well established canola processing industry with six crush plants located in North Dakota, Minnesota, Montana and Washington which process over 90 percent of the U.S. crop. Removing these tariffs will ensure the North American canola industry remains competitive in the global market and will foster the future export of canola oil via market forces rather than government restrictions.

The USCA requests that U.S. canola receive similar trade concessions as those granted to Canada to ensure the continued growth of the North American canola market. The exact schedule we are seeking is as follows:

Proposed schedule for U.S. canola oil going to Japan

	Crude		Refined	
	y/kg	%	y/kg	%
2019	7.3	7.9	8.8	9.6
April 1 st of 2020	5.5	6.0	6.6	7.2
April 1 st of 2021	3.6	4.0	4.4	4.8
April 1 st of 2022	1.8	2.0	2.2	2.4
April 1 st of 2023	0.0	0.0	0.0	0.0

% tariffs calculated using oil at \$1104/tonne and 82.8 yen/CAD

Respectfully yours,



Pat Murphy
President,
U.S. Canola Association

CC: **Secretary Sonny Perdue, United States Department of Agriculture**
Chief Ag Negotiator Gregg Doud, United States Trade Representative
Under Secretary Ted McKinney, United States Department of Agriculture



THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

May 6, 2019

Mr. Pat Murphy
President, U.S. Canola Association
600 Pennsylvania Avenue SE
Suite 320
Washington, D.C. 20003

Dear Mr. Murphy:

Thank you for your letter regarding the interests of U.S. canola producers in our trade negotiations with Japan. I want to assure you that the Administration understands the importance of the Japanese market for the U.S. canola industry and seeks to improve market access for U.S. producers and exporters.

Last September, President Trump and Prime Minister Abe announced their intention to enter into negotiations for a U.S.-Japan Trade Agreement. Since then the Administration has completed the necessary domestic procedures to start negotiations, including the publication in December of U.S. negotiating objectives. One of the Administration's top negotiating objectives is to secure comprehensive market access for U.S. agricultural goods in Japan such as canola oil. I have recently engaged in discussions with my Japanese counterpart, including on issues involving agricultural goods, and expect to continue those discussions.

I look forward to working with the U.S. Canola Association on negotiating a trade agreement with Japan that provides expanded opportunities for U.S. farmers, ranchers, workers, and businesses, including the U.S. canola industry.

Sincerely yours,

Robert E. Lighthizer