



January 25, 2018

Dear President Trump, Prime Minister Trudeau, President Pena Nieto, Ambassador Lighthizer, Minister Freeland, and Minister Guajardo,

The undersigned organizations represent the wheat supply chain of the United States, Canada and Mexico. We understand the need to modernize the decades old North American Free Trade Agreement (NAFTA) to better reflect new trade needs that come with a modern world.

NAFTA has improved the flow of wheat between all three countries so it can be milled and then baked into nutritious, wholesome baked goods enjoyed by consumers. Since the implementation of NAFTA, U.S. and Canadian wheat growers have significantly increased their wheat exports to Mexico. Prior to NAFTA U.S. wheat was often kept out of the Mexican market due to state intervention and import tariffs. Today, however, U.S. and Canadian wheat enter Mexico duty free thanks to NAFTA. In 2016, Mexico imported 3.3 million metric tons of US wheat, the largest market for exported U.S. wheat that year. Similarly, in 2016, Canadian wheat reached nearly 20% of all Mexican wheat imports worth over \$231 million Canadian dollars. Over the past two decades Mexico has shifted to a growing emerging economy, creating a rise in milling and industrial bakery intake. Mexican milling and baking industry are important customers for growers in both the U.S. and Canada, which together supply over 60 percent of the Mexican market.

An updated trade deal is critical to ensure that all of us can work together to provide the highest quality and most reliable products at the greatest value for the North American supply chain and consumers. The rise in demand for high quality wheat combined with duty free access and the convenient transportation options between all three countries relies on an integrated supply chain

within the region that is only effective with NAFTA in place. Our organizations greatly appreciate the time and energy each country has dedicated to this renegotiation process and encourage all parties to continue to discuss until a deal is reached.

We look forward to a successful modernized NAFTA that benefits agriculture and all sectors of the wheat supply chain.

Sincerely,

American Bakers Association
Cámara Nacional de la Industria Molinera de Trigo
Cereals Canada
National Association of Wheat Growers
North American Millers' Association
US Wheat Associates
Western Canadian Wheat Growers