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MGGA Pleased with Renewed Interest in TPP

Great Falls – Montana wheat producers rely heavily on foreign markets as 75-80% of our wheat is exported every year. Moreover, almost 30% of Montana grown wheat is exported to countries that have recently reached agreement on a Trans-Pacific Partnership deal that excludes the United States. Our long-standing Japanese trading partners, who purchase about 20% of Montana’s wheat production each year, have made it clear that they have no interest in pursuing a bilateral agreement with us but they would welcome us back into TPP with open arms.

That’s why we were pleased with President Trump’s recent remarks at the World Economic Forum in Davos, Switzerland, that he would reconsider joining TPP. And we are especially grateful for last week’s letter from 25 senators, led by Montana Senator Steve Daines, urging the administration to work aggressively to secure reforms that would allow the U.S. to rejoin TPP.

MGGA President Michelle Erickson-Jones said, “These developments have given me a glimmer of hope that we can stabilize our key export markets and reestablish some certainty for our growers that our market share will not be eroded by our competitors.”

Montana wheat exports to Japan in particular will be at serious risk under TPP 11, scheduled for signature on March 6, setting up a catastrophic loss of sales in the next couple of years that will depress farm gate prices even more. Of the 6 million metric tons (MMT) of wheat Japan imports each year, roughly 3.0 MMT is purchased from the U.S., including about 1.2 MMT of high quality hard red spring and hard red winter wheat from Montana farmers. Japanese millers project cuts to average total imports of U.S. wheat to as little as 1.4 MMT per year as lower effective tariffs force them to buy more Canadian and Australian wheat instead.

Erickson-Jones added, “Hopefully this renewed interest will allow us to emerge from a long winter of trade uncertainty and into a spring that is full of new export opportunities for our growers.”

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