

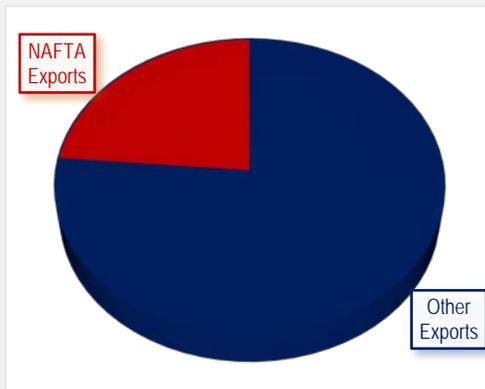


KENTUCKY

NAFTA'S IMPORTANCE TO FOOD AND AGRICULTURE

Food and Agriculture supports more than 43 million jobs. Beginning in the rich soil of America's farms and ranches, and continuing to America's grocers, truck drivers and restaurant workers, we're the economic backbone of rural America—stimulating employment throughout the entire value chain.

KENTUCKY FOOD AND AGRICULTURE ECONOMIC IMPACT



KENTUCKY EXPORTS

\$1.0 Billion in total Food and Ag product exports in 2016.

\$238 Million (24%) went to NAFTA partners.

TOP NAFTA EXPORTS:
Spirits, Dairy, and Prepared Foods.

Food and Agriculture directly and indirectly supports:
643,201 Kentucky jobs, earning **\$24 Billion** in wages.

A Successful NAFTA 2.0...

- ✓ Expands Access for Agricultural Goods
- ✓ Reduces Unnecessary Regulatory and Nontariff Barriers that Block U.S. Agricultural Exports
- ✓ Reduces Bureaucratic Delays and Red Tape
- ✓ Ensures U.S. Agricultural Exporters Receive Fair Treatment in Trade Disputes

U.S. Farmers & Families Win with NAFTA

- **Spirits:** Canada and Mexico could impose tariffs of up to 45%, causing consumers in those markets to substitute away from U.S. spirits, while Canadian and Mexican origin spirits would continue to enter the U.S. market duty-free. Moreover, important provisions that protect U.S. spirits producers against the fraudulent use of the terms "Bourbon" and "Tennessee Whiskey" would be eliminated.
- **Dairy:** Over \$1 billion a year in U.S. dairy products are shipped to Mexico. Without NAFTA, applied tariffs could reach 60% on cheese and 45% for skim milk powder, undermining the largest market for U.S. dairy at a time when Mexico is finalizing negotiations with the EU - the world's largest dairy exporter.
- **Processed Food & Beverages:** The processed food and beverage industry is the largest source of employment in U.S. manufacturing and is highly integrated in North America. NAFTA is critical for the competitiveness of this industry whose inputs, finished goods, and investments cross both northern and southern borders of the U.S., enabling U.S. food and beverage manufacturers to thrive as a key driver the U.S. economy.