Congress of the United States Washington, DC 20515

March 16, 2021

The Honorable Thomas Vilsack Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Ave., SW Washington, D.C. 20250

Dear Secretary Vilsack,

Congratulations on your recent confirmation as Secretary of Agriculture and thank you for your leadership and dedication to U.S. agriculture producers. As you know, China has cheated for decades, stealing our intellectual property, abusing import quotas to limit imports of U.S. crops, manipulating its currency, providing massive subsidies to benefit its state-owned enterprises, and engaging in a vast array of other corrupt practices. Our nation's farmers and ranchers have paid a high price for China's bad behavior, including the value of previous exports to China plummeting by more than \$10 billion in the last three years.

However, over a year ago, the much-anticipated "Phase One" trade agreement with China was reached after hard-fought negotiations by the Trump Administration. While the tariffs used to bring China to the negotiating table were undoubtedly painful, our producers were willing to be patient and believed the trade disruption in the short-term would lead to a more level playing field in the long-term. For example, the Phase One agreement included both a series of structural obligations that require China to reform its unfair regulatory regimes and practices, as well as purchase commitments that bind China to follow through on its promises to modernize its market by purchasing more quality U.S. agricultural products.

While we have been encouraged by China's move to implement many of its Phase One structural obligations, including reforms to rules and practices that harm U.S. farmers and ranchers, it is imperative we continue to ensure our agriculture producers, and many other sectors of our economy, get the full benefit of these regulatory reforms.

Also, China committed to purchase an additional \$200 billion worth of American goods and services over a two-year period. For 2020 purchases of agriculture commodities alone, China made a commitment to buy an additional \$12.5 billion above its 2017 purchases. However, based on available information, China appears to have fallen short of this target, and it remains unclear if they are exerting sufficient effort to abide by its end of the deal. While recent USDA estimates indicate that China's purchases of U.S. agricultural products may substantially increase in 2021, that is not a guarantee, therefore we urge you to push China to follow through on its commitments.

If China fails to come into compliance with its obligations, it is fortunate that the Phase One Agreement also contains an innovative enforcement mechanism for us to raise implementation concerns and promptly apply significant consequences. We strongly urge you to evaluate China's implementation of the agreement without delay and use the agreement's consultation and enforcement mechanisms to hold China accountable to the agreed upon terms and commitments.

We urge you to enforce the Phase One China Agreement, as well as continue discussions towards a second phase of negotiations. We stand ready to work with you to hold China accountable and ensure our nation's agriculture producers receive the market access they deserve.

Sincerely,

Jodey C. Arrington Member of Congress

CC: Maria Pagan, Acting U.S. Trade Representative

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Rep. Eric A. 'Rick' Crawford Member of Congress

> Rep. Richard Hudson Member of Congress

Rep. Don Bacon Member of Congress Rep. A. Drew Ferguson Member of Congress

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