



Prepared Testimony of:

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Introduction

Chairman Thompson, Ranking Member Craig, and members of the House Agriculture Committee, it is an honor to join you today to testify on behalf of the American Soybean Association regarding the United States-Canada-Mexico Agreement (USMCA). My name is Jamie Beyer. I am a soybean farmer from Wheaton, Minnesota, where I grow soybeans, corn, sugarbeets, and alfalfa alongside my husband, Rodd. I serve as a member of the Executive Committee for ASA. Our association, founded in 1920, represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state soybean associations representing nearly 500,000 farmers in the 30 primary soybean-producing states.

The U.S. soybean industry has a profound, positive impact on the U.S. economy. While we have long been U.S. agriculture's #1 export crop, half of our harvested soybeans stay at home for a variety of uses. A by-the-numbers look demonstrates the value of the soybean industry to our domestic economic health. The U.S. Department of Agriculture (USDA) estimates that over 80 million acres of soy were harvested in 2025, with production of 4.3 billion bushels. Soybean production accounts for more than \$4 billion in wages and over \$80 billion in economic impacts, according to a study by the United Soybean Board (USB)/Soy Checkoff and National Oilseed Processors Association (NOPA). This economic impact does not include secondary soy markets and supporting industries like biofuels, grain elevators, feed mills, ports, rail, refining, barges, etc., which bring the national total economic impact of the soybean value chain to a significant \$124 billion.

As the largest agricultural export in the U.S., robust international trade is a top priority of the U.S. soybean industry. In conjunction with our partners at the U.S. Soybean Export Council (USSEC), the World Initiative for Soy in Human Health (ASA-WISHH), USDA, and the Office of the U.S. Trade Representative (USTR), our industry is working actively across the world to open new markets and introduce new customers to the value of high quality, high protein U.S. soy. Opening new markets is just the beginning: Markets require time, attention, and long-term relationship maintenance to ensure that once a market is open to U.S. soybean exports, access remains unhindered.

In the most recent marketing year (MY) with complete data (MY 2024/2025), U.S. exporters shipped 68.7 million metric tons (MMT) of whole soybeans, soybean meal, and soybean oil to foreign markets, accounting for nearly \$29.6 billion in sales and 58% of U.S. soy production.

Canada and Mexico together accounted for \$4.0 billion in exports in MY 2024/25, or just over 13% of total soy complex exports. Mexico is the larger market for U.S. soy in North America, totaling \$3.3 billion in MY 2024/25. Two-thirds of that come from exports of whole soybeans, and most of the rest from soybean meal. Canada's most significant import from the soy complex was soybean meal, valued at \$531 million in MY 2024/25.

Benefits of USMCA

For the U.S. soybean sector, the USMCA and its predecessor, the North American Free Trade Agreement (NAFTA), have provided stability and predictability for integration of the North American agricultural markets, especially through the guarantee of duty-free treatment of soy and soy products.

USMCA also upgraded NAFTA in several important ways, particularly through the inclusion of a strengthened chapter on Sanitary and Phytosanitary (SPS) measures, which builds on the rules that already apply as part of the World Trade Organization (WTO) SPS Agreement. The SPS Chapter also included a new consultative mechanism that provides parties with a more formal mechanism to evaluate SPS barriers without the escalation of a full dispute. There are also new provisions around good regulatory practices, technical barriers to trade (TBT), and trade facilitation that are useful tools for the U.S. soybean sector.

The USMCA also included a novel section on agricultural biotechnology that preempted disruptive trade barriers stemming from the use of genetically engineered traits, including those related to low-level presence, authorization delays, and gene editing.

The new SPS chapter and agricultural biotechnology provisions were critical in resolving a dispute between the U.S. and Mexico regarding Mexico's barriers to the approval of genetically engineered crops—specifically, corn. As the Committee is aware, former Mexican President Andrés Manuel López Obrador issued a presidential decree in December 2020 which called for a phaseout of genetically engineered (GE) corn for human consumption, as well as a phaseout for the herbicide glyphosate, by no later than January 31, 2024.

That decree was replaced in January 2023 by an updated decree which banned the use of GE corn in dough and tortillas, while also directing for the gradual phaseout of GE corn for animal feed and other forms of food for human consumption. Under the USMCA, the U.S. government requested technical consultations with the Mexican government under the SPS chapter with support from the Canadian government. When those consultations failed to solve the issue, the U.S. filed a formal dispute under the USMCA dispute settlement chapter. After several years of uncertainty, the USMCA panel issued a ruling in favor of the U.S. case, stating that Mexico's decree was anti-science and contrary to its commitments under the USMCA.

This exercise showcases the importance of the agreement's updated rules, transparency mechanisms, and dispute settlement procedures. These provisions allowed the U.S. to overcome a potentially disruptive trade barrier while allowing the Mexican government to make the case that its policies were science-based and consistent with the terms of the agreement. When that defense ultimately failed, Mexico repealed the most concerning measures. This recent dispute demonstrates the efficacy of these provisions included under USMCA and how important maintaining these provisions are for U.S. agriculture exports. While ASA played a supportive role in assisting both our counterparts in the corn industry and the U.S. government, almost all soybean farmers also grow corn, and resolving a likely significant trade dispute illustrates how important the provisions of USMCA are for providing legal avenues to address potential trade disputes to ensure U.S. farmers maintain market access in these two critical economies.

Trade Certainty

For U.S. soybean farmers, the trilateral trade relationship between the U.S., Mexico, and Canada offers something that can be challenging to come by in other markets – stability.

As this committee is aware, China is by far the largest customer for U.S. soy. Earlier in my testimony, I referenced the final sales data for MY 2024/25 - 68.7 MMT of whole soybeans, soybean meal, and soybean oil were sold to foreign markets, accounting for nearly \$29.6 billion in sales. Of those exports, nearly 23 MMT of soybeans were bound for China, which is almost solely a whole soybean importer. That volume represents 33% of U.S. soy complex exports and accounts for \$9.9 billion in value. On average, China imports more than 60% of all global soybeans – their appetite for oilseeds cannot be matched or overstated.

While the data sounds impressive, these numbers show a departure from typical marketing years for U.S. soy. Traditionally, this Chinese market represents over half of all U.S. soybean exports each year; in MY 2023/2024, China purchased 25 MMT of U.S. soy, accounting for 54% of U.S. soybean exports and representing \$13.2 billion in value.

The decrease in imports from China can be directly attributed to a reignited trade war between our two global economies following the U.S. imposition of tariffs under the International Emergency Economic

Powers Act (IEEPA) and subsequent tariff retaliation by China. Tariffs imposed under the IEEPA authority – which this investigation seeks to replicate after the Supreme Court ruled the use of IEEPA was illegal - caused Beijing to retaliate and impose tariffs on U.S. soybeans. At one point, the tariff on U.S. soybeans to China was around 34% - a rate nearly as high as the tariff faced by our industry from 2018 to 2020.

While ASA is grateful for the temporary pause in trade hostilities between our two countries, and the purchase commitments agreed to in October 2025 in Busan, South Korea, the 12 MMT commitment for 2025 is a 50% decrease from typical soy exports to China. The 25 MMT annual commitment for 2026, 2027, and 2028 maintains the status quo for U.S. soybean export volumes to China. Additionally, China maintains a 10% tariff on all imported U.S. goods, including U.S. soybeans. As long as the 10% tariff remains in place, U.S. soybeans are not price competitive against beans of South American origin. The tariff precludes the Chinese private sector from participating in the U.S. market and ensures our only customers are Chinese state-owned enterprises.

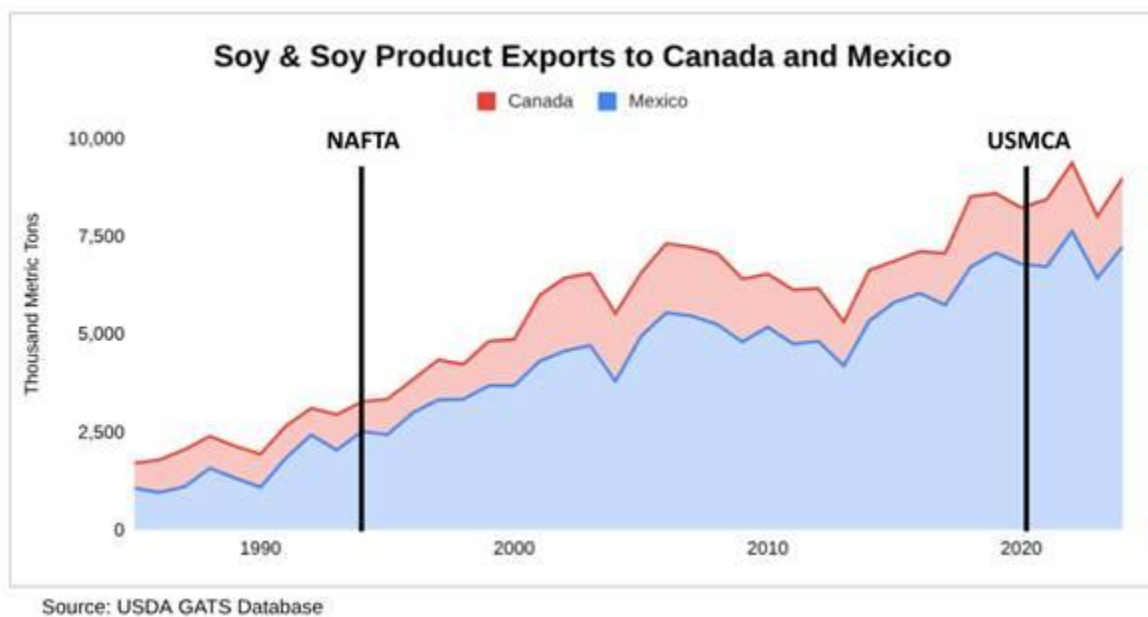


Figure 1

In contrast to the relationship with our Chinese partners, the North American trade relationship is the picture of stability for the U.S. soybean industry. Since NAFTA entered into force, U.S. soy exports to Mexico quadrupled, and exports to Canada doubled (Figure 1). Under USMCA, both markets have continued to grow over time.

Furthermore, the duty-free market access guaranteed by USMCA is not only beneficial for exports, but also for imports. U.S. soybean farmers are dependent on the global supply chain for critical agricultural inputs such as fertilizers, pesticides, seeds, and equipment. While the Trump administration has utilized a variety of authorities to impose tariffs on trading partners, tariffs imposed under both IEEPA and Section 122 maintained exemptions for goods imported under USMCA.

The Executive Order imposing tariffs under Section 122 maintained access to the U.S. market for goods imported from Canada and Mexico, noting an exemption for “the articles that are entered free of duty as a good of Canada or Mexico under the terms of general note 11 to the Harmonized Tariff Schedule of the United States (HTSUS), including any treatment set forth in subchapter XXIII of chapter 98 and subchapter XXII of chapter 99 of the HTSUS, as related to the Agreement between the United States of

America, United Mexican States, and Canada.” This is vitally important for U.S. agriculture, as over 87% of potash used by U.S. farmers comes across the border via rail from Canada. Where I farm in the Northern Plains, many farmers will often source replacement parts for tractors and other equipment from across the border. Duty-free access to all three markets helps ensure market stability and keeps costs down. At a time when farmers continue to face skyrocketing input costs, maintaining the duty-free cross-border treatment of goods is critically important.

Agricultural Shipping & USMCA

The success of the USMCA is directly linked to an increased utilization of freight rail to move U.S. agricultural products into Canada and Mexico. Unlike the U.S. and Canada, which have an agreement allowing grain to crossover without reinspection, there is no such agreement between the U.S. and Mexico.

The lack of agreement between the U.S. and Mexico on grain inspection leads to reinspection of U.S. grain in rail cars crossing into Mexico, causing downtime and added costs which can trickle back to agricultural producers. For example, Mexico employs zero tolerance for the presence of soil in grain; whereas in the U.S. soil is considered foreign material and is allowed up to two percent for #2 soybeans and three percent for #2 corn. When Mexico finds soil in U.S. grain, fumigation is required at a cost of approximately \$70,000 per shuttle train and delaying transport by approximately two days. If an agreement could be reached between the U.S. and Mexico on grain inspection this could reduce transportation costs, leading to higher prices for farmers. An agreement also could potentially unlock additional transportation options for grain such as transport in containers, which are currently often railed back to Mexico empty because of the risk posed to rail carriers of having mixed freight trains stopped for two days to have grain fumigated.

Freight rail is a necessity for U.S. soybean farmers and the broader agriculture industry exporting product to Mexico and Canada, and the harmonization of grain inspection across the three countries would minimize transportation delays and support more efficient and cost-effective shipping options for farmers.

Conclusion

USMCA is in many ways the “gold standard” trade agreement. Upon its ratification during the first Trump administration, the agreement enjoyed strong bipartisan support. Establishing similar, binding bilateral or multilateral agreements with other countries would benefit U.S. agriculture and help expand market-based policies.

It is nearly impossible to overstate the importance of maintaining free, open, rules-based, and fair trade within the North American continent for U.S. agriculture. Soybean farmers are facing the most challenging landscape in a generation. Failure to renew USMCA would be catastrophic. President Trump negotiated this agreement, overwhelming bipartisan majorities in Congress approved it, and entire industries, companies, farmers, and families depend on it. We hope that appropriate improvements can be made, but the 16-year extension under Article 34.7.3 must never be in doubt.

On behalf of U.S. soybean farmers, I thank the committee for your attention to this important free trade agreement. ASA appreciates Chairman Thompson and Ranking Member Craig for using this hearing to highlight the importance of USMCA for U.S. soybean farmers and the agriculture industry at large. I look forward to your questions.