UNITED STATES-MEXICO-CANADA AGREEMENT – 2026 FORMAL REVIEW

NCFC POSITION:

Trade cooperation between the United States, Mexico, and Canada affords a multitude of benefits, underscoring the need to uphold and maintain the agreement text of USMCA as written without major adjustment. The USMCA has already delivered significant benefits and offers further upside if fully implemented and enforced. Therefore, any adjustments made in the 2026 joint review should target those issues rather than rewriting the agreement.

ACTION:

USMCA was signed by the United States, Mexico, and Canada in 2018 and was implemented in 2020 to replace the North American Free Trade Agreement. Under the agreement, leaders of all three nations were to begin a formal review by July 1, 2026, to determine whether to renew the agreement. If renewed, USMCA would remain in effect for an additional 16 years, with another review scheduled in 2032. However, it appears the review will enter a period of annual consultations with no clear path forward. President Donald Trump on July 1 declined to renew the USMCA for a 16-year term, sending the agreement into a new phase of annual reviews and introducing fresh uncertainty for North American trade.

CURRENT STATUS:

US–Mexico discussions are further along as the Office of the U.S. Trade Representative (USTR) and Mexico's Secretariat of Economy formally launched the review process on March 5, 2026. They've since held two full negotiating rounds — the first concluded May 29 in Mexico City, the second ran June 15–17 in Washington, D.C. Discussions have covered automotive rules of origin, steel and aluminum, economic security, and conceptual talks on agriculture, labor, and environment. A third round is set for the week of July 20 in Mexico City.

Unlike progress with Mexico, the US–Canada discussions are still in the pre-negotiation phase. On June 1, Canada submitted its formal recommendations letter for the joint review, but bilateral rounds with Canada have not yet started as of early July.

BACKGROUND:

NCFC members represent a broad section of the agriculture industry with many relying on foreign markets to sell their commodities and products with Canada and Mexico among the largest and most important, typically ranking as the United States' top two agricultural markets. They represent roughly $60 billion (more than a third) of the United States food and agricultural exports, often serving as the top markets for grains, dairy and livestock products, and a number of specialty crops.

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Additionally, the USMCA has helped integrate the North American supply chains that our industry has become reliant on, such as importing duty-free agricultural products for further processing and inputs such as energy, fertilizer and packaging materials. Integration of supply chains with our North American neighbors has benefitted the U.S. economy, farmers, farmer co-ops, and consumers.

The agreement ensures preferential market access between the three North American partners and solidifies commitments to science-based principles and rules-based trade. This has led to a high level of integration in terms of markets, transportation, and regulation that benefits importers, exporters, and consumers alike through a more efficient trading system. Preserving and enhancing that trilateral partnership is a priority for NCFC as a uniform regulatory environment and harmonized cross-border rules are essential to maintaining the competitiveness of the U.S. agriculture industry.

USMCA's provisions built on previous agreements by facilitating and streamlining the flow of commerce throughout all three countries which has created efficiencies in the agricultural sector. Specific improvements made under the USMCA included:

In the Sanitary and Phytosanitary (SPS) Measures chapter, the United States, Mexico, and Canada agreed to strengthen disciplines for science-based SPS measures, increasing regulatory transparency and ensuring science-based treatment of agricultural commodities and products.

The United States, Mexico, and Canada agreed to provisions to enhance information exchange and cooperation on agricultural biotechnology trade-related matters.

The technical barriers to trade (TBT) provisions are instrumental in removing obstacles inhibiting trade and strengthening regulatory cooperation. The intellectual property (IP) provisions are critical to protecting U.S. innovations in seed and chemistry that farmers depend on.

Important procedural safeguards for recognition of new geographical indications (GIs), including strong standards for protection against issuances of GIs that would prevent U.S. producers from using common names, as well as establishment of a mechanism for consultations on future GIs pursuant to international agreements.

The Chapter 31 dispute settlement provisions provide a mechanism for resolving barriers that otherwise disrupt U.S. agriculture's export market stability and growth.

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