

March 1, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington, D.C. 20510

The Honorable John Boehner
Republican Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
S-230, U.S. Capitol
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders Reid, Boehner and McConnell:

In his State of the Union message, President Obama pledged to double U.S. exports within five years as a way to create millions of new jobs in this country. The undersigned food/feed and agricultural organizations strongly support this endeavor, and we call on Congress to move forward with steps necessary to achieve this goal.

International trade is critically important to the farmers, ranchers, food processors and exporters that our organizations represent. Exports of the goods we produce generate over 8,000 U.S. jobs for every billion dollars we ship overseas. The economic benefits flow not only to rural communities but also to people working in transportation, processing and at our ports.

We believe the most effective means of reaching this five-year objective is for Congress to move quickly to ensure the prompt passage of the pending free trade agreements with Colombia, Panama and South Korea. Many U.S. food and agricultural products will become eligible for duty-free treatment in those countries immediately upon entry into force of the agreements, and nearly all will receive duty-free treatment over specified phase-in periods. The agreements will also correct an inequity that U.S. exporters encounter in those markets – the fact that U.S. tariffs are much lower than those our products face in those countries. As a result of the Generalized System of Preferences, the Caribbean Basin Initiative and the Andean Trade Preference and Drug Eradication Act, 90 percent of products exported by Colombia to the U.S. already enter duty free. For Panama the number is 95 percent. U.S. tariffs in the agricultural sector are one-fourth the level of Korean tariffs.

It is critically important to our industries that Congress heed the President's call to aggressively expand market access opportunities, as our competitors are doing. The president focused on the need to create new jobs. But if our best markets are lost to our competitors, U.S. jobs will be lost not gained. The WTO estimates that there will be over 600 bilateral or regional trade agreements in place by 2010. As of the end of 2008, 230 were in force, and of those, the U.S. was a party to a mere 17 of these agreements. The WTO also estimates that about 400 new agreements are either pending notification to the WTO, are being negotiated or are in the proposal stage. Of those, the U.S. is a party only to the three pending agreements and the TPP. While the U.S. continues to debate approval of its FTA with South Korea, that country has already concluded, is negotiating or is planning FTAs with the ASEAN (10 nations), Chile, Australia, New Zealand, Canada, China, the European Union (27 nations), India, Japan, Mexico, Mercosur (4 nations), Peru, Pakistan and Russia. If these countries gain zero-duty access to the Korean market while our

products continue to face significantly higher non-FTA tariffs, we will lose exports to the fifth largest global market, and we will lose many skilled jobs.

Finally, we must convey our deep concern with legislation recently introduced in the House and in the Senate that would, in our view, set our efforts to expand exports back irrevocably. H.R. 3012 and S. 2821 would require the Administration to demand the re-negotiation of all current or pending trade agreements to modify provisions to permit inclusion of certain requirements.

Although no doubt well-meaning, these bills and their demands will not be well-received by the global community. They will not have the apparently intended effect of improving trade agreements. Rather, they will have the effect of withdrawing the U.S. from current trade agreements and eliminating any possibility of being a party to new ones. This would have catastrophic consequences for our economy and for American agriculture.

The undersigned food/feed and agricultural organizations strongly support President Obama's pledge to double U.S. exports within five years as a way to create millions of new export-related jobs in this country. We stand ready to assist the Administration and the Congress to meet this critically important goal by 2015.

Sincerely,

American Bakers Association
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
American Frozen Food Institute
American Meat Institute
American Peanut Product Manufacturers, Inc.
American Seed Trade Association
American Soybean Association
Animal Health Institute
Blue Diamond Growers
California Cherry Export Association
California Grape & Tree Fruit League
California Table Grape Commission
California Tomato Farmers
Commodity Markets Council
Corn Refiners Association
Distilled Spirits Council of the United States
Grocery Manufacturers Association
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Chicken Council
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Grange
National Meat Association

National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Renderers Association
National Sorghum Producers
National Sunflower Association
National Turkey Federation
North American Equipment Dealers Association
North American Export Grain Association
North American Millers' Association
Northwest Horticultural Council
Pet Food Institute
Produce Marketing Association
Sweetener Users Association
The Fertilizer Institute
U.S. Apple Association
U.S. Canola Association
U.S. Dairy Export Council
U.S. Dry Bean Council
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Wheat Associates
United Egg Association
United Egg Producers
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
Western Growers Association

cc: Members of the U.S. House of Representatives
Members of the U.S. Senate