

Open Letter to President Obama and Members of Congress

July 29, 2011

Dear President Obama and Members of Congress:

The undersigned organizations and companies, representing nearly all sectors of the U.S. agricultural economy, urge you to stand up for American exports and the jobs that depend on them by taking immediate action to implement the pending free trade agreements (FTAs) with South Korea, Colombia and Panama. The longer we wait to implement these agreements, the farther behind we will fall in these markets to our competitors.

Each of these trade agreements was signed at least four years ago. Since that time, the European Union initiated trade talks with Korea, finalized the deal last year and implemented it on July 1. The Korean government released figures last week showing that in the first two weeks of the EU FTA, trade volume between the two rose 17.4 percent. Exports from Korea to the EU rose 19 percent, and exports from the EU to Korea rose 16 percent.

The Korea-EU trade deal almost certainly comes at the expense of U.S. products. The United States is now at a disadvantage to the EU in the Korean market; while EU products are eligible for reduced or zero tariffs, the United States still faces full import duties. Unless the United States enacts the U.S.-Korea trade agreement, this market could be lost. Korea now has in place or is negotiating 13 FTAs involving some 50 nations around the world. In addition to the 27-nation EU, these include Chile, Australia, New Zealand, Canada, Mexico, MERCOSUR (Argentina, Brazil, Paraguay and Uruguay), Peru and the 10-nation ASEAN bloc.

If there is any doubt about the seriousness of the problem for U.S. agricultural exports, one need only consider the damage that has already been done by the delay in implementing the Colombia FTA. Argentina and Brazil have negotiated trade agreements through MERCOSUR with Colombia that have given them preferential access for a number of key commodities, including corn, wheat and soybeans. As a result, U.S.-produced corn, wheat and soybeans have been hit hard, with the combined U.S. share of Colombia's imports for these products falling to 28 percent from 78 percent since 2008. On August 15, Canada's FTA with Colombia will take effect, and our exports to Colombia of wheat and other agricultural products will take another hit.

It's difficult to watch years of market development evaporate in a matter of months because we are not able to compete on the basis of price, making the United States the residual supplier where it was once the main supplier. Studies have shown that the benefits of the trade agreements to U.S. agriculture and rural economies would be substantial. U.S. agriculture is prepared to work to achieve the full benefits of these agreements but can only do so if the U.S. government moves quickly to pass these agreements.

The prospect of a delay in action on the three FTAs until the fall has come as a disappointment to the agricultural community. With clear bipartisan support for these agreements, we had remained optimistic that these deals would be approved before the August recess. Our FTA

partners clearly thought likewise. The Korean government has signaled its willingness to hold a special session in August to act on its implementing bill, but that is now in doubt.

The prospect of Congress passing the trade agreements with Korea, Colombia and Panama before the August recess are highly unlikely at this point. We therefore urge you to act swiftly in September to implement these important agreements. These are good markets, they are strong U.S. allies and each has taken significant steps to help make the FTAs a reality. The seemingly endless delays on our side do not serve our economic or foreign policy interests, and they run the risk of causing long-term damage to U.S. food and farm exports.

Sincerely,

Agri Beef Co.
Agribusiness Council of Indiana
American Farm Bureau Federation
American Feed Industry Association
American Frozen Food Institute
American Meat Institute
American Peanut Product Manufacturers, Inc.
American Potato Trade Alliance
American Seed Trade Association
American Soybean Association
Animal Health Institute
Bill Barr & Company, Inc.
Blue Diamond Growers
Butterball
California Bean Shippers Association
California Cherry Export Association
California Farm Bureau Federation
California Grain and Feed Association
California Grape and Tree Fruit League
California Pear Growers
California Poultry Federation
California Seed Association
California Table Grape Commission
California Walnut Commission
California Warehouse Association
Cargill
Case Farms
Cobb-Vantress
Commodity Markets Council
ConAgra Foods, Inc.
Corn Refiners Association
Distilled Spirits Council of the United States
Georgia Poultry Federation

Grain and Feed Association of Illinois
Grocery Manufacturers Association
Grove Services
Harrison Poultry
Hormel Foods Corporation
House of Raeford Farms
International Dairy Foods Association
Interra International
Intervision Foods
JBS USA
Jennie-O Turkey Store
Keystone Foods
Lamex Foods
Land O'Lakes, Inc.
Louis Dreyfus Commodities LLC
Mar Jac Poultry
Michael Foods
Michigan Agri-Business Association
Minnesota Grain and Feed Association
Mississippi Poultry Association
Missouri Agribusiness Association
Mountaire Farms
National Association of State Departments of Agriculture
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 Grape Cooperative Association Inc.
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
Nebraska Grain and Feed Association
New Orleans Cold Storage
North American Equipment Dealers Association
North American Export Grain Association
North Dakota Grain Dealers Association

Northwest Dairy Association/Darigold
Northwest Horticultural Council
Ocean Spray Cranberries, Inc.
Ohio AgriBusiness Association
Oklahoma Agribusiness Retailers Association
Oklahoma Grain and Feed Association
Oklahoma Seed Trade Association
Pacific Valley Foods, Inc.
Perdue Farms
Pet Food Institute
Prestage Farms
Produce Marketing Association
Rocky Mountain Agribusiness Association
Sanderson Farms
Seaboard Foods
Simmons Processed Foods
Smithfield Foods
South Carolina Poultry Federation
Sun-Maid Growers of California
Sunsweet Growers Inc.
Sweetener Users Association
Tennessee Farmers Cooperative
Texas Grain & Feed Association
Texas Poultry Federation
The Poultry Federation (Arkansas, Missouri, Oklahoma)
Tyson Foods, Inc.
U.S. Apple Association
U.S. Canola Association
U.S. Dairy Export Council
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Premium Beef
U.S. Wheat Associates
United Egg Association
United Egg Producers
United Producers, Inc.
United States Dry Bean Council
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
Virginia Poultry Federation
Washington State Potato Commission
Welch Foods Inc.
Western Growers Association
Wine Institute