

October 3, 2011

The Honorable John Boehner
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 Nancy Pelosi
Democratic 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 Boehner and Leaders Reid, Pelosi and McConnell:

After an almost five-year delay, members of Congress will finally have an opportunity to vote to implement the U.S.-Colombia Free Trade Agreement (FTA) in the coming weeks. The delay in implementation of the FTA has cost U.S. agriculture dearly in lost sales and market shares. But a favorable vote can re-establish our competitive position in the Colombian market. The undersigned groups, representing virtually the entire food and agricultural sector, urge you to cast that vote.

For U.S. crops, Colombian import duties under the FTA will be immediately eliminated for wheat and malting barley, soybeans and soybean meal, corn starch, nearly all fruits and vegetables, peanuts and products, tobacco and cotton. For U.S. livestock products, Colombian import duties will be immediately eliminated for high-quality beef, some pork products such as bacon and pork skins, most kinds of poultry and a range of dairy products.

For many other crops and livestock products, tariff-free access will be provided immediately under specified levels (tariff-rate quotas), which will expand over time. Colombia will also immediately eliminate for U.S. products its system of applying variable tariffs below its WTO bound rates, which can be as high as 388 percent. This “price band” system is currently applied to imports of corn, rice, wheat, oilseeds and products, dairy, pork, poultry and sugar.

In addition, the vast majority of processed food products will receive immediate duty-free treatment. Colombian duties on imports of even the most sensitive agricultural products from the United States will be completely phased out over a period not to exceed 19 years.

Since the FTA was signed in 2006, these benefits have instead accrued to our competitors. U.S. agricultural exports to Colombia in 2010 were at the lowest level since 2005. The U.S. share of Colombia’s agricultural imports has fallen from 81 percent to 19

percent since 2008. Major agricultural exporting countries, such as Argentina and Brazil, already have preferential access to this market. To make matters worse Colombia's FTA with Canada went into force on August 15, and it is on the verge of implementing a FTA with the European Union. Our share of the Colombian market in wheat, feed grains and other products will plummet even further unless we act promptly to correct these inequities by passing the U.S.-Colombia FTA.

It is not too late to remedy the situation and recapture our fair share of that market. American producers can compete with anyone in the world if the playing field is level, and implementation of the Columbia FTA would do just that. It would not only make us competitive with other supplying countries, it would also achieve a fair balance in our bilateral relationship, under which 99 percent of Colombian agricultural products have entered the U.S. duty-free under the Andean Trade Promotion and Drug Eradication Act.

The preferential market access benefits this agreement will provide U.S. food and agricultural producers will create U.S. jobs and strengthen rural economies. According to the American Farm Bureau Federation, the U.S.-Colombia FTA would result in U.S. agricultural export gains of more than \$370 million per year at full implementation. This export growth would generate some 3,100 new jobs here at home, according to USDA. A study by a group of noted economists for the Agricultural and Applied Economics Association puts the number at closer to 5,900 new jobs.¹

Colombia has undertaken important changes in its domestic policies to correct problems identified by members of Congress. The undersigned organizations believe that a strong and mutually beneficial relationship between our two nations, rather than continuing to withhold congressional approval of the FTA, will advance legitimate U.S. objectives in these areas.

For all of these reasons, we strongly urge that you vote in favor of the U.S.-Colombia Free Trade Agreement.

Sincerely,

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
Blue Diamond Growers
California Cherry Export Association

¹ <http://www.choicesmagazine.org/magazine/print.php?article=169> - The report estimates that every \$1 billion in U.S. agricultural exports generates 15,811 jobs (2009).

California Pear Growers
California Table Grape Commission
Cargill, Incorporated
Campbell Soup Company
Commodity Markets Council
ConAgra Foods, Inc.
Corn Refiners Association
Dairylea Cooperative Inc.
Distilled Spirits Council of the United States
Equity Cooperative Livestock Sales Association
Grocery Manufacturers Association
Hormel Foods Corporation
International Dairy Foods Association
Idaho Barley Commission
Idaho Grain Producers Association
JBS USA
Kansas Association of Wheat Growers
Kentucky Small Grain Growers Association
Kraft Foods
Land O'Lakes, Inc.
Montana Grain Growers Association
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
North American Equipment Dealers Association
North Dakota Grain Growers Association
Northwest Dairy Association/Darigold
Northwest Horticultural Council
Ocean Spray Cranberries, Inc.
Oklahoma Wheat Growers Association

Pet Food Institute
Produce Marketing Association
Seaboard Foods
Smithfield Foods
South Dakota Wheat Inc.
Texas Wheat Producers Association
Tyson Foods, Inc.
U.S. Apple Association
U.S. Canola Association
U.S. Dairy Export Council
U.S. Meat Export Federation
U.S. Premium Beef
Unilever United States
United Egg Association
United Egg Producers
United Producers, Inc.
US Dry Bean Council
US Wheat Associates
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
Washington State Potato Commission
Welch Foods Inc.
Western Growers Association
Sweetener Users Association
USA Rice Federation

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