

## Nelson sees FTA urgency to retain markets

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Illinois Farm Bureau President Philip Nelson returned from a Latin American tour this week buoyed by progress toward a U.S.-Colombia free trade agreement (FTA) but emphatic about the consequences should Congress fail to act.

Farm groups applauded President Obama's announcement that U.S. and Colombian negotiators had reached a basic framework for FTA approval.

Obama and Colombian President Juan Manuel Santos signed an agreement this week that would strengthen labor rights in Colombia, addressing the primary barrier to congressional FTA support.

Nelson, who chairs the American Farm Bureau Federation's (AFBF) Trade Advisory Committee, believes "we're almost at the tipping point" for passage of that long-delayed agreement as well as an Obama-endorsed South Korea FTA and a pact with Panama. Together, the three represent nearly \$3 billion in added annual U.S. ag exports, according to AFBF.

Illinois Corn Growers Association President Jim Reed told FarmWeek he was hopeful Congress would quickly send the Colombia FTA to the White House, tagging Colombia as a grain buyer "we certainly want to keep and maintain."

During an AFBF tour of Brazil, Colombia, and Panama, Nelson discussed the mutual benefits of pending FTAs with top Colombian and Panamanian officials.

"It's quite clear they want this free trade agreement, and if they don't get it, they're going to move on," he warned. "We're already seeing a loss of exports as it relates to that country -- in just a little over a year, we've lost more than \$1 billion of exports into Colombia.

"(Panamanian officials), too, very pointedly argued that we've always been allies and great trading partners, but for some reason, we are not acting on a trade agreement that would benefit not only American agriculture but also the Panamanian government and that country."

Nelson observed Brazil is "ready to step up to the table" if the U.S. fails to come across with timely FTAs. Canada already has negotiated agreements with Panama and Colombia and is expected to "quite significantly" ramp up exports to those nations over the next few months, he said.

He emphasized U.S. FTAs would enable the U.S. to “resume exports that have been curtailed” by high import tariffs. U.S. corn exports to Colombia declined dramatically during the 2009-10 marketing year, to only 36 million bushels, but FTA approval would offer immediate duty-free access to Colombia’s roughly 2.1 million-metric-ton corn market.

Further, Nelson cited a significant volume of ethanol-derived distillers dried grains (DDGs) moving into Brazil, Colombia, and Panama as all three strive to improve efficiency in traditionally grass-fed beef production.

“In our country, where we have grain-fed beef, we’re getting cattle to market in almost half the time we’re hearing from our counterparts in Latin America,” he said.

“I think there are some significant gains to be made just by their adopting some of the same methodologies through which we produce livestock in this country.”