



AMERICAN FARM BUREAU FEDERATION®

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July 12, 2007

The Honorable Nancy Pelosi, Speaker
House of Representatives
235 Cannon House Office Building
Washington, DC 20515

The Honorable Steny Hoyer, Majority Leader
House of Representatives
1705 Longworth House Office Building
Washington, DC 20515

The Honorable Charles Rangel, Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Sander Levin, Chairman
House Ways and Means Committee
Subcommittee on Trade
1104 Longworth House Office Building
Washington, DC 20515

Dear Representatives:

The American Farm Bureau Federation is disappointed with your recent decision to delay the vote on Peru and Panama and to oppose the Colombia and South Korea Trade Promotion Agreements (TPA). We urge you to reconsider your position.

Now is the time for Congress to vote on the Peru, Colombia and Panama TPAs. These three agreements would increase U.S. agricultural exports by nearly \$1.5 billion once fully implemented. Individually, Peru represents a \$705 million opportunity for increased agricultural exports; Colombia, \$690 million; and Panama, \$195 million. These gains will not be realized unless these agreements are passed by Congress because U.S. agriculture faces an average tariff of 18-30 percent entering these markets. While U.S. agriculture faces significantly high tariffs in Peru, Colombia and Panama, 99 percent of agricultural products from these countries enter the United States duty-free due to U.S. preference programs. Currently the United States has an agricultural trade deficit with Peru and Colombia.

Recent action by Congress to extend for an additional 8 months the Andean Trade Promotion and Drug Eradication Act (ATPDEA) is to the disadvantage of U.S. farmers and ranchers. These actions allow Peru and Colombia's duty free access and provide nothing for U.S. agriculture except competition in our own market. Passage of the Peru and Colombia TPAs would provide U.S. agriculture the same open access to Peru and Colombia as those countries have in our market under ATPDEA. Congress's quick passage of the Peru, Colombia and Panama TPAs will help demonstrate to U.S. farmers and ranchers that Congress is committed to promoting U.S. agricultural trade.

AFBF supports the Korea TPA with the condition that Korea fully opens its market to all U.S. beef. Congress should vote on the Korea TPA as soon as U.S. beef trade resumes with Korea. This is a major agreement for U.S. agriculture and provides the United States with the opportunity to increase our competitiveness in the market. Full implementation of the Korea

TPA could lead to export gains exceeding \$1.6 billion per year. These gains represent half of our current trade with Korea.

The current trade agenda of Peru, Colombia, Panama and South Korea represents gains in U.S. agricultural exports exceeding \$3 billion. These agreements are comprehensive and provide benefits for all sectors of U.S. agriculture. Elimination of agricultural tariffs in these markets will assure our continued competitiveness. Many of our competitors already have trade agreements or are in trade negotiations with these partners.

Please enact the Peru, Colombia, Panama and Korea Trade Promotion Agreements as soon as possible. These four agreements are important to U.S. agriculture. Eliminating tariffs and opening new foreign markets is vital to a healthy and stable agricultural and U.S. economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Stallman', written over a light blue horizontal line.

Bob Stallman
President