

## ASA Inks Soybean Cooperation Agreement With China

The American Soybean Association (ASA) has signed a cooperation agreement with representatives of the China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce & Animal By-Products (CFNA) in support of continued U.S. soybean exports to China. The signing ceremony was held at the Chicago Board of Trade on December 18.

"We signed an agreement on cooperation between CFNA and ASA, in which we agreed to begin a wide range of mutually beneficial exchanges and activities, including the exchange of delegations between our two organizations," said ASA Chairman Dwain Ford, a producer from Kinmundy, Ill. "As a representative of U.S. soybean farmers, I can tell you that we look forward to a long and fruitful relationship."

ASA's mission in China has always been one of working closely with Chinese aquaculture, livestock, feed milling, and soybean processing industries to increase the demand and preference for U.S. soybeans within these industries.

Long before China imported soybeans, ASA producer-leaders decided to open an office in China to begin building demand for U.S. soybeans. That was 21 years ago. More recently, ASA's 25,000 farmer-members were politically active in supporting China's accession to the World Trade Organization (WTO), and successfully urged the U.S. Congress to grant China Permanent Normal Trade Relations (PNTR) status.

China is now the United States' largest customer for soybeans and it is a growing market. In the marketing year that ended August 31, 2003, China purchased nearly 7.7 million metric tons (283 million bushels) of U.S. soybeans with an estimated farm-gate value of \$1.6 billion. In the current marketing year that began on September 1, 2003, as of mid December, China already had purchased over 7.35 million metric tons with a farm-gate value of \$2 billion.

At the December signing ceremony, Chinese and U.S. trade counterparts signed agreements for 2.5 million metric tons (91.8 million bushels) of U.S. soybeans. The

Chinese trade representatives said they intend to buy another 2.5 million metric tons (91.8 million bushels) of U.S. soybeans in the future if the price is competitive.

"China is and will continue to be a critical market to the American soybean farmer," Ford said. "It is ASA's commitment to continue to work with China to further build demand and preference for U.S. soybeans."

Since opening its first China office in 1982, the scope of ASA's work in China has grown from technical services to livestock and feed production to the current important work with China's livestock producers, feed millers, aquaculture industry,

soybean processors, and the traders and distributors who supply their protein needs. Today, ASA has a staff of highly respected livestock, aquaculture, feed milling and marketing experts located in offices in Beijing and Shanghai.

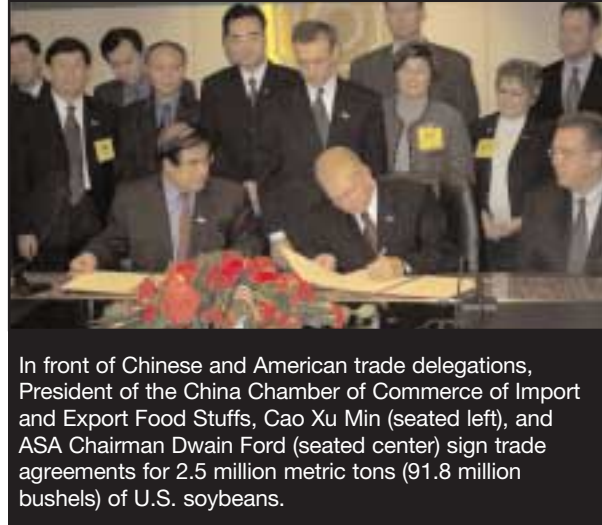
ASA's activities to expand international markets for U.S. soybeans and products are made possible by producer checkoff dollars invested by the United Soybean Board and various State Soybean Councils, as well as by cost-share funding provided by USDA's Foreign Agricultural Service.

At times, U.S. soybean exports to China have faced issues such as trade restrictions, import permit delays, confusion over biotechnology regulations and problems with transparency. These issues have hurt both China and the United States. Ford said that future prosperity lies in ensuring that the major buyers of U.S. soybeans in China can operate knowing that they have a free and unencumbered flow of soybeans from the United States.

"As soybean producers, we need to know that the markets that we produce for will be there when we harvest," Ford said. "If we can work under those circumstances, we will all be prosperous. It is my hope that this delegation, and the joint agreement we just signed, will help ensure that soybean trade between our two great nations continues unencumbered."

See additional pictures and video of the signing ceremony at [www.SoyGrowers.com/library/](http://www.SoyGrowers.com/library/).

PHOTO BY BOB CALLANAN



In front of Chinese and American trade delegations, President of the China Chamber of Commerce of Import and Export Food Stuffs, Cao Xu Min (seated left), and ASA Chairman Dwain Ford (seated center) sign trade agreements for 2.5 million metric tons (91.8 million bushels) of U.S. soybeans.

## Record Soy Donations in Food for Progress Program

In December, the United States Department of Agriculture (USDA) announced donations for 22 developing countries including allocations for record-level use of high-protein soy products in its fiscal 2004 Food for Progress program. The American Soybean Association's (ASA) World Initiative for Soy in Human Health (WISHH) program was instrumental in providing to the government and to private voluntary organizations the nutritional information that led to greater recognition of the benefits of soy protein.

"Through WISHH, soybean growers have played an enormous role in helping hunger-fighting organizations learn about the potential of high-protein soy to meet the nutritional needs of people in diverse countries," said ASA President Ron Heck, a soybean producer from Perry, Iowa. "This USDA announcement is confirmation that WISHH has helped soy processors and food aid organizations work together more closely."

The allocations are currently slated to contain 2,350 metric tons of soy flour, 1,700 metric tons of textured soy protein, and 20 metric tons of soy protein concentrate (USDA's first purchase of this product). In addition to these high-protein products, USDA announced it would provide 38,000 metric tons of soybean meal, 10,000 metric tons of whole soybeans, 10,000 metric tons of vegetable oil (that will likely include soybean oil), plus 5,100 metric tons of soybean oil and 1,030 metric tons of corn-soy blend.

For each donation, USDA will negotiate detailed agreements and announce each as they are completed. ASA estimates the commercial value of these products would exceed \$19 million.

"WISHH is helping hunger-fighting organizations use high-protein soy products to combat malnutrition in countries throughout the world," Heck said. "In addition to meeting nutritional needs of the hungry, the Food for Progress initiatives encourage free enterprise in developing countries and emerging democracies."

These allocations are part of the Bush Administration's ongoing efforts to promote economic growth and address global hunger. The United States is the world's largest food aid donor and a leader in supporting market-oriented development. The USDA provided over \$500 million in international assistance under its 2003 programs, and hopes to contribute a similar amount for 2004.

ASA and a group of state soybean organizations launched the WISHH program in 2000, and today, numerous state soybean organizations support WISHH along with ASA and the United Soybean Board. For more information, go to [www.wishh.org](http://www.wishh.org).

"Through WISHH, America's soybean growers are building more bridges between America's bounty and sustainable nutrition programs in countries where rapidly growing populations of all income levels can benefit from soy in their diets," Heck said.

## ASA Members Applaud Completion of CAFTA Negotiations

American Soybean Association (ASA) members are pleased with the conclusion of the Central American Free Trade Agreement (CAFTA) negotiations. If approved by the U.S. Senate, CAFTA will improve and enhance trade opportunities between the United States and the Central American countries of El Salvador, Guatemala, Honduras and Nicaragua. These countries are currently a \$100 million market for U.S. soybean meal and soybean oil.

"On behalf of U.S. soybean producers, I congratulate the Bush Administration for a job well done," said ASA President Ron Heck. "This agreement will solidify our position as the preferred supplier of soybeans and soybean products to these Central American nations. ASA will strongly support ratification of CAFTA by the Senate."

CAFTA would immediately eliminate tariffs imposed on the exportation of U.S. soybeans, soybean meal and soybean flour. Tariffs on U.S. exports of soybean oil bound for these countries will be reduced over a 12 to 15 year period. These actions are expected to improve

and facilitate the exportation of U.S. soybeans and soybean products to CAFTA countries, which may assist in keeping out competitive soybean products.

Costa Rica was to have been an original member of CAFTA. However, due to issues unrelated to agriculture, that country pulled out of the final negotiations. Efforts to bring Costa Rica and other Latin American countries, such as Columbia, Dominican Republic and Panama, into CAFTA are expected in the near future.

The Dominican Republic is a major customer of U.S. soybean products, purchasing \$88 million worth of soybean meal and soybean oil in 2002.

"Eliminating tariffs and trade barriers that limit U.S. exports of soybeans, soybean products, and livestock products is a top priority of the ASA," Heck said. "CAFTA is good for U.S. soybean farmers, and will hopefully get even better as it extends to other countries in the region, including the Dominican Republic. We look forward to working with the Administration to gain approval of CAFTA in 2004," concluded Heck.