

ASA Provides Senate Testimony on Trade Issues Affecting Soy Exports

The American Soybean Association (ASA) recently testified before the United States Senate Committee on Agriculture, Nutrition, and Forestry to present ASA's views on international trade issues, including the need for Congress to approve pending Free Trade Agreements (FTA), extend Presidential Trade Promotion Authority (TPA), and normalize financial relations with Cuba.

"ASA was pleased with the President's commitment to double the value of U.S. exports under the National Export Initiative," said ASA Vice President Danny Murphy. "Efforts to achieve this goal in the agriculture sector will require Congressional approval of the pending Free Trade Agreements with Colombia, South Korea, and Panama, negotiation of new FTAs with key importing countries, and progress on the Asia Pacific Economic Cooperation regional agreement." Murphy added that "delay in approving the Colombia FTA has caused U.S. soybean producers to lose over 50 percent of their market share."

Soybeans are the second largest commodity in the United States in terms of annual acreage and value, with 78 million acres planted and a farm-gate value of \$32 billion in 2009. Soybeans and soybean products are the most important U.S. export commodity, with sales exceeding \$21 billion last year. This represented over 50 percent of U.S. soybean production and 21 percent of total U.S. agricultural exports in 2009. "As producers of the largest export-dependent commodity, soybean farmers have historically made international trade a top priority," Murphy said.

Murphy also spoke in favor of renewing Trade Promotion Authority (TPA), which allows the President to submit trade agreements to Congress for an up-or-down vote, without amendment. "Negotiation of new FTAs will require renewal of TPA, which is a top priority for ASA," Murphy said.

"Action is also needed on legislation to normalize financial relations with Cuba," Murphy said. "Cuba imported \$284 million worth of U.S. soybeans, meal, oil, livestock products in 2009. Normalizing financial relations would improve the competitiveness of U.S. soy and livestock product exports to the Cuban market."

ASA Suggests Steps to Double Exports in Five Years

It was just a few months ago, in comments to the U.S. Department of Commerce, that ASA outlined its suggested key steps to meeting President Barack Obama's National Export Initiative (NEI) goal of doubling exports in the next five years.

ASA believes that achieving the NEI goal will ultimately require all of the following:

- Approval of pending Free Trade Agreements (FTAs) with Colombia, South Korea, and Panama
- Renewal of Presidential Trade Promotion Authority
- Negotiation of new FTAs with countries that have the potential to significantly expand imports of U.S. products
- Ensuring that other countries as well as the U.S. comply with existing trade agreements
- Removal of restrictions imposed by the U.S. that hinder food and agricultural sales to Cuba
- Negotiation of a balanced and commercially meaningful Doha Round World Trade Organization (WTO) agreement
- Taking action against the use of Differential Export Taxes used by U.S. competitors to effectively subsidize the export of processed products.

ASA believes that the most important step to doubling exports is the prompt approval of pending FTAs between the U.S. and Colombia, Panama, and South Korea.

"In today's political climate, prospects for achieving any of the steps outlined by ASA are easily discounted," said ASA President Rob Joslin, a soybean farmer from Sidney, Ohio. "Nonetheless, if the NEI goal to double U.S. exports by 2015 is to be seriously pursued, we believe all of them are necessary. ASA is ready to work with the Administration and with Congress to make this important objective a reality."