

October 24, 2013

Ambassador Mike Froman
United State Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

The Honorable Thomas Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Ave SW
Washington, DC 20250

Dear Ambassador Froman and Secretary Vilsack:

The undersigned groups are writing to you today to express concern regarding the negotiations currently underway in Geneva in preparation for the Ninth World Trade Organization (WTO) Ministerial Conference. We support the WTO, and we understand the value of the rules-based global trading system. We hope to see a successful Ministerial meeting in Bali and the resumption of the Doha Round negotiations. However, we believe that a Bali agreement based on the so-called "food security" proposal from the Group of 33 (G-33) would represent a significant step backwards for the WTO and would make it much more difficult to reach a comprehensive Doha Round agreement.

We have seen a dramatic increase over the past decade in trade-distorting domestic support in advanced developing countries. Support prices in several of those countries are now significantly above U.S. target prices, and studies suggest that they are exceeding by a wide margin the limits on domestic support to which they agreed in the Uruguay Round negotiations. Indeed, we see the G-33 proposal as an acknowledgement by those countries of their vulnerability to challenge under current rules. As we understand it, the G-33 proposal would significantly weaken subsidy disciplines by exempting from aggregate measure of support (AMS) calculations price support regimes that are tied to domestic food aid programs.

We do not object to rules that permit developing countries to operate legitimate domestic food aid programs. Current WTO rules allow countries to make purchases into government stocks at market prices and then make those stocks available at subsidized prices to needy consumers. Expenditures for such programs need not be added to a country's AMS. However, we see no reason why WTO rules should allow such food aid to be linked to price support programs, which have much more to do with boosting farm income and increasing production than feeding the poor, and which often result in the accumulation of excess stocks that are later dumped at subsidized prices onto the world market.

If we are ever to achieve a Doha Round agreement, advanced developing countries – especially those with large, competitive agricultural sectors – need to be willing to take on a higher level of obligation. A Bali agreement that relaxes current disciplines for those countries, even on a temporary basis, would represent a big step in the wrong direction and would set a damaging precedent for future talks. It would also increase the likelihood of further subsidy increases and further damage U.S. trade interests.

We urge you to ensure that any agreement on agricultural support that is a part of the Bali package does not undermine current WTO rules, but rather sets the stage for further productive negotiations and further liberalization.

Sincerely,

American Farm Bureau Federation
American Feed Industry Association
American Meat Institute
American Soybean Association
Animal Health Institute
Grocery Manufacturers Association
International Dairy Foods Association
National Association of Wheat Growers
National Barley Growers Association
National Chicken Council
National Corn Growers Association
National Council of Farmer Cooperatives
National Fisheries Institute
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Renderers Association
National Turkey Federation
North American Blueberry Council
North American Equipment Dealers Association
North American Export Grain Association
North American Meat Association
Northwest Horticultural Council
Pet Food Institute
U.S. Dairy Export Council
U.S. Grains Council
U.S. Wheat Associates
USA Rice Federation
Western Growers Association