

September 19, 2014

Ambassador Michael Froman
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Froman:

The undersigned food and agricultural organizations wish to express their deep appreciation to you and your staff for defending U.S. interests and the integrity of commitments undertaken in the World Trade Organization (WTO) by refusing to acquiesce to demands by India to reopen agreements reached at the WTO Ministerial in Bali last December.

India's attempt to hold the Trade Facilitation Agreement (TFA) hostage to gain concessions in agriculture beyond those it secured as part of the overall Bali package in order to maintain their flawed policy has been a brazen effort to force other WTO member nations to pay twice to gain India's endorsement of TFA. This behavior cannot be tolerated by WTO members and we are grateful that the United States has taken leadership in making that clear.

When implemented, TFA will reduce the cost of trade by streamlining and harmonizing customs rules and procedures to the benefit of all countries – developing nations, in particular. TFA is also the first multilateral agreement reached since the establishment of the WTO and serves as proof that the multilateral negotiating system can still work and can bring benefits to hundreds of nations at a time.

It must not be forgotten that TFA was already used as leverage by India to gain concessions at the Bali Ministerial that allow it to operate price support programs for basic commodities – programs that often lead to subsidized exports and price suppression on global markets—in violation of its existing WTO commitments. This leverage was employed under the guise of “food security.” Other WTO members sought to address India's demands while also imposing certain reasonable conditions on the use of such programs – most importantly, notification requirements and a commitment that such programs should not distort trade or adversely affect the food security of other WTO members.

India finally notified its agricultural subsidies to the WTO earlier this month after a decade of delay and this notification must be given careful review. But recent USDA/FAS GAIN reports indicate that agricultural support in India now far exceeds support in the U.S. and most other developed countries. And it is these programs that India seeks to protect from challenge. In addition, India has for many years been unwilling to play a constructive role in the overall Doha Round negotiations.

It is not surprising that India would try the tactic that worked so well in Bali to gain further protections from challenge, knowing how badly the majority of WTO members want formal and final adoption of TFA. For these reasons, we commend you for providing the leadership in

Geneva necessary to avoid one country from undermining years of effort in the WTO in both facilitating trade and disciplining trade distorting subsidy programs and urge that you continue this strong stance.

Sincerely,

American Farm Bureau Federation
American Feed Industry Association
American Meat Institute
American Seed Trade Association
American Soybean Association
American Sugar Alliance
Archers Daniel Midland (ADM)
Bunge
Cargill
Corn Refiners Association
CropLife America
Grocery Manufacturers Association
Grocery Manufacturers Association
International Dairy Foods Association
Kraft Foods Group, Inc.
North American Meat Association
National Association of Wheat Growers
National Cattlemen's Beef Association
National Chicken Council
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Pork Producers Council
National Potato Council
National Turkey Federation
North American Export Grain Association
North American Meat Association
Northwest Horticultural Council
US Apple Association
US Dairy Export Council
US Grains Council
US Poultry and Egg Export Council
US Wheat Associates
USA Rice
Western Growers
Wine Institute