



AMERICAN SOYBEAN
ASSOCIATION
NATIONAL COTTONSEED
PRODUCTS ASSOCIATION
NATIONAL OILSEED
PROCESSORS ASSOCIATION
NATIONAL SUNFLOWER
ASSOCIATION
U.S. CANOLA
ASSOCIATION

OILSEED GROWER COORDINATOR
JOHN GORDLEY

600 PENNSYLVANIA AVENUE, SE
SUITE 320
WASHINGTON, DC 20003

PHONE:
202/969-7040

FAX:
202/969-7036

OILSEED PROCESSOR COORDINATOR
THOMAS HAMMER

1300 L Street, NW Suite 1020
Washington, DC 20005-4168

PHONE:
(202) 842-0463

FAX:
(202) 842-9126

July 12, 2007

Dear Member of Congress:

The American Oilseed Coalition (AOC) strongly supports the recently announced free trade agreement (FTA) between the United States and the Republic of Korea. The AOC is comprised of the American Soybean Association, the National Cottonseed Products Association, the National Oilseed Processors Association, the National Sunflower Association, and the U.S. Canola Association. Our goal is to provide policymakers in Congress and the Administration with a unified voice on policy matters affecting the U.S. oilseed industry, particularly with respect to matters related to bilateral and multilateral trade negotiations.

The prosperity of our export-driven coalition of producers and processors is tied to continued growth in worldwide markets for our products and for the products of our customers in the U.S. livestock industry. We believe a free trade agreement with Korea will be an important new addition to the list of countries with which the U.S. now has FTAs.

At \$211 million in 2006, U.S. exports of oilseeds and products to Korea represent approximately 8 percent of total U.S. agricultural exports to that nation. Soybeans make up over half of that trade. Under the FTA, the Korean tariff on soybeans for crushing will be eliminated immediately upon entry into force. Because of lower cost competition from China and South America, we are not major exporters of meal or oil to Korea, but a free trade agreement offers the opportunity to improve our competitive position in the Korean market for such products and expand the potential for future sales. Korea's tariff on soybean meal will also be eliminated immediately, and its tariffs on soybean oil will be phased out in 5 years for refined and 10 years for crude, under the Agreement. In addition, for the first time, producers of U.S. food-grade soybeans will have access to the South Korean market outside of the import monopoly created by the Korean State Trading Enterprise.

As important as these market access gains will be to us, equally important to our industry is the potential for expanding exports to Korea of livestock products, including pork, poultry and dairy. These products are all produced with the protein from U.S. oilseed crops. In 2006, the U.S. exported \$212 million in pork to Korea, \$63 million in poultry products, and \$66 million in dairy products. Each of these sectors will benefit from market access improvements and eventual free access under the FTA.

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According to the World Bank, Korea is the world's 11th largest economy, the 9th largest exporter and the 13th largest importing country. As Korea's economy has grown, so have the demands of Korean consumers. They mirror the demands of U.S. consumers – seeking high quality, low cost, healthy, and convenient food. Under this FTA, these demands will be met increasingly by American farmers, food processors, and exporters.

We appreciate the opportunity to present these views and look forward to working with you to ensure the legislation to implement this important agreement is adopted by Congress.

Sincerely,

American Soybean Association
National Cottonseed Products Association
National Sunflower Association
National Oilseed Processors Association
U. S. Canola Association