

Sent to Full House and Senate

February 6, 2008

The undersigned organizations have recently been made aware of a proposal to manage trade in sugar with Mexico that we understand is being considered by House and Senate Farm Bill conferees. This proposal has broad-based and severe implications for the U.S. food and agricultural sector. We do not support managed trade with Mexico and urge that it not be included in the Farm Bill or any other legislation.

The Mexican market has been a resounding success for U.S. food and agricultural exporters. Mexico is the top export destination for beef, dairy, poultry, rice, soybean meal and oil, corn sweeteners, cotton, apples and dry edible bean exports. It is the second most important foreign market for pork, corn, soybeans, eggs, vegetable oils, snack foods and other consumer-oriented agricultural goods, thereby contributing substantially to net farm income. Collectively, U.S. agricultural exports exceeded \$10.8 billion to Mexico in 2006.

Adopting managed trade with Mexico would effectively amend the free trade provisions of the NAFTA by instituting export and import restraints. Moreover, this managed trade proposal contains other international trade violations that could subject the United States to challenge and unravel the free trade opportunities that the U.S. agricultural sector worked so hard to achieve.

It is imperative that we protect the NAFTA. This proposal sets a dangerous precedent of amending this hard fought agreement. Most troubling, if the United States implements this managed trade proposal, we can expect similar legislation in Mexico to result in managed trade in other agricultural sectors. Such an outcome would spell disaster for our industries, which is why we support full implementation of the NAFTA and an open border with Mexico in all commodities.

It is abundantly clear that our industries will be directly impacted by this proposal. We strongly oppose managed trade with Mexico and urge Farm Bill conferees to reject it in conference.

American Cotton Shippers Association  
American Farm Bureau Federation  
American Meat Institute  
American Soybean Association  
California Bean Shippers Association  
California Dry Bean Advisory Board  
Corn Refiners Association  
Grocery Manufacturers Association  
Idaho Dry Bean Commission  
International Dairy Foods Association

Michigan Bean Commission  
Michigan Bean Shippers Association  
National Cattlemen's Beef Association  
National Chicken Council  
National Corn Growers Association  
National Grain and Feed Association  
National Milk Producers Federation  
National Oilseed Processors Association  
National Pork Producers Council  
National Sunflower Association  
National Turkey Federation  
North American Export Grain Association  
North American Millers Association  
North Central Bean Dealers Association  
Northharvest Bean Growers Association  
Northwest Fruit Exporters  
Northwest Horticultural Council  
Pet Food Institute  
Sweetener Users Association  
USA Dry Pea & Lentil Council  
USA Poultry & Egg Export Council  
U.S. Canola Association  
U.S. Dairy Export Council  
U.S. Hides, Skins & Leather Association  
United Egg Association  
United Egg Producers  
United States Dry Bean Council  
Western Bean Dealers Association