

September 3, 2009

The Honorable Ron Kirk
United States Trade Representative
Office of the United States Trade Representative
600 17th Street N.W.
Washington D.C. 20508

Dear Ambassador Kirk:

The undersigned U.S. food and agriculture organizations are writing with respect to the recommendation you will soon make to the President in response to the findings of the International Trade Commission in the Section 421 investigation regarding certain tires from China.

Unlike other recent import relief cases in which China was found to be unfairly dumping or subsidizing products into the U.S. market, there is no claim of unfair trade in this case. However, because Section 421 is a safeguard action unique to China and not applied to other WTO members, and despite the fact that China previously agreed to that treatment to gain WTO membership, there is the real possibility that China will choose to retaliate. Recent press reports indicate that the China Rubber Industry Association intends to petition China's Ministry of Commerce to increase tariffs on or otherwise restrict U.S. exports of pork and soybeans. Although such retaliatory action arguably would be inconsistent with China's Protocol of Accession to the WTO, we have seen in other situations that China has demonstrated both the capability and the inclination to implement measures to restrict imports outside the normal WTO process.

We ask that you consider the effect of likely retaliatory action against U.S. food and agriculture products as you formulate your recommendation. Although pork and soybeans have been mentioned as candidates for such action, any U.S. product exported to China is vulnerable. Retaliatory actions by China against U.S. food and agricultural products, whether legally justified or not, would significantly affect U.S. farmers, ranchers and food companies at a time when many are facing serious financial problems. The already dire situation in several of these sectors would be compounded if their export opportunities to China were to be further eroded. For some, the Chinese market is the difference between profitability and possible bankruptcy.

We appreciate the opportunity to raise these concerns and urge you to take them into account as you weigh the costs to other parts of the U.S. economy in this import relief case.

Sincerely,

American Feed Industry Association
American Meat Institute
American Seed Trade Association

American Soybean Association
Animal Health Institute
Commodity Markets Council
Corn Refiners Association
Distilled Spirits Council of the U.S.
Hormel Foods Corporation
International Dairy Foods Association
Louis Dreyfus Commodities
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Chicken Council
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Meat Association
National Oilseed Processors Association
National Pork Producers Council
National Turkey Federation
North American Export Grain Association
Northwest Horticultural Council
Pet Food Institute
Tyson Foods, Inc.
U. S. Grains Council
U.S. Dairy Export Council
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Wheat Associates
US Hides, Skins & Leather Association
USA Poultry & Egg Export Council
USA Rice Federation