

Congress of the United States

Washington, DC 20515

September 15, 2009

The Honorable Ron Kirk
U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

Re: Request for Comments Concerning the Free Trade Agreements with South Korea and Colombia.

Dear Ambassador Kirk:

On behalf of dairy farmers all across America, we are grateful for the opportunity to comment on the pending Korea-U.S. Trade Promotion Agreement (KORUS) and U.S.-Colombia Trade Promotion Agreement (CTPA). As you know, the agricultural community has been hit hard by the current recession. This is especially true of the dairy industry, which has experienced a devastating loss of demand for its products.

According to the National Agricultural Statistics Service there are approximately 70,000 dairy farms in America. Many of these farms are on the brink of collapse in large part due to the financial meltdown of 2008, which brought with it a 53 percent decrease in dairy export demand. In order to restore the dairy industry in America it is essential that the United States develop new markets abroad.

For that reason, we believe the pending free trade agreements with South Korea and Colombia are important to the dairy industry. The South Korean agreement alone will produce an additional \$380 million per year in revenues for American dairy. The Colombian FTA will produce another \$25 million annually for the industry. As the South Korean and Colombian economies develop and our trade relationships with them strengthen, these revenues will grow exponentially, ensuring future access to strong dairy markets for American farmers.

Unfortunately, the very advantages these agreements promise the dairy industry are threatened every day these agreements languish. South Korea is currently considering additional free trade agreements with other dairy exporting countries and has already passed a free trade agreement with the European Union. Failure to pass quickly the KORUS agreement means that other countries will gain an even greater advantage over the American dairy industry in the South Korean dairy market as these countries pass their own trade agreements with South Korea. This advantage coupled with the high export subsidies of some of these dairy exporting countries, would put American dairy at a distinct disadvantage in South Korea. The already shrunken American dairy export market would shrink even more. Dairy farmers in our districts cannot afford less demand for their products.

However, if the Administration and Congress act quickly to pass both agreements, the opposite effect will take place. By advancing agreements with South Korea and Colombia ahead of other dairy exporting countries, American dairy will stand to benefit as early entrants in these expanded markets. With time to develop new dairy markets, the American dairy industry will seize greater market share abroad, something the industry has struggled to accomplish, in part, due to the subsidies of competitors worldwide.

In recent months we have heard from many dairy farmers and industry experts from our congressional districts and from across America. The consensus is clear. Without increased demand or the opportunity for new markets for dairy products, both domestically and abroad, many farmers will be forced to sell their cows and their farms. This will cost our districts more jobs and will exacerbate already stagnate economic conditions. I urge you to work with the President and Congress to pass free trade agreements with both South Korea and Colombia so that the dairy industry in America can remain a staple of our economy.

Sincerely,

Joey R Pitts

Glen GT Thompson

Devi Nunes

Bob Goodlatte

David P Roe