



FOR IMMEDIATE RELEASE
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BAUCUS, HATCH ASK INTERNATIONAL TRADE COMMISSION TO EXAMINE BRAZIL'S IMPACT ON U.S. AGRICULTURAL EXPORTS

Finance Leaders Say Report Findings Could Help U.S. Develop New Strategies to Boost Ag Exports

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) today requested a study from the International Trade Commission (ITC) to examine competitive factors affecting U.S. and Brazilian agricultural sales in international markets. In 2010, one-third of all U.S. agricultural sales were made abroad. This \$116 billion market supports one million American jobs and is critical to maintaining a strong U.S. agricultural market. In recent years, Brazil's exports have grown substantially and changed the market for U.S. producers. Baucus and Hatch asked the ITC to look at how the market has changed in order to ensure the U.S. provides the optimal resources and trade policies to keep U.S. ranchers and farmers competitive and ensure their global market continues growing. Specifically, the Senators asked that the report detail factors affecting the agricultural market in Brazil, U.S. and Brazilian participation in global export markets and the economic effects Brazil's Free Trade Agreements with various nations have on U.S. agricultural exports.

"This report will give us valuable insight into the relationship between Brazil's agricultural policies and market conditions and our agricultural exports," said Baucus. **"Every increase in our farm exports represents another win for farmers and ranchers in Montana and across the country. In 2010, one-third of all sales from our ranchers and farmers came from exports – that's \$116 billion worth of business supporting jobs and communities across the country. It is critical that we continue to increase our exports and understanding in order to stay competitive as countries like Brazil grow."**

"With its significant growth in agricultural exports in recent years, Brazil has emerged as a major competitor for U.S. agricultural producers in the international market," said Hatch. **"This investigation will help us better understand this dynamic by giving us a more complete picture of Brazil's agricultural export sector and assist us in developing strategies to maintain our competitive edge in the international market."**

Baucus, Hatch and former Ranking Member Chuck Grassley (R-Iowa) have previously requested and obtained reports from the ITC on [Chinese](#) and [Indian](#) agricultural sectors.

The full text of Baucus's and Hatch's letter follows here:

April 26, 2011

The Honorable Deanna Okun
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

Dear Chairman Okun,

The success of U.S. agriculture depends on strong export sales. The United States exported \$116 billion in agricultural goods in 2010, representing more than one-third of U.S. farm cash receipts. The U.S. Department of Agriculture estimates that these exports support approximately one million U.S. jobs, both on and off the farm. As per capita incomes rise, especially in developing countries, so does demand for food and fiber.

The United States is one of the few countries in a position to boost farm exports to meet this increasing demand. Brazil is another. Brazil's global exports of agricultural products have grown substantially over the last decade, largely in beef, pork, poultry, soybeans, and corn—all products exported in significant quantities by the United States. This growth has altered the competitive landscape in global agricultural markets and resulted in declining market shares for U.S. agricultural exporters in certain countries and products.

We are writing to request that the U.S. International Trade Commission (ITC) conduct an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) regarding competitive factors in Brazil affecting U.S. and Brazilian agricultural sales in third country markets. The report should cover the period 2006-2010, and focus on the global meat, grains, and oilseeds markets.

To the extent possible, the report should include the following:

- an overview of agricultural markets in Brazil, including recent trends in production, consumption, and trade;
- an overview of U.S. and Brazilian participation in global export markets for meat, grain, and oilseed products, particularly in the European Union, Russia, China, and Japan, and markets with which Brazil has negotiated trade agreements;
- a description of the competitive factors affecting the agricultural sector in Brazil, in such areas as costs of production, transportation and marketing infrastructure, technology, exchange rates, domestic support, and government programs related to agricultural markets;
- a description of the growth of Brazilian multinational agribusiness firms and their effects on global food supply chains;
- a description of the principal trade measures affecting U.S. and Brazilian exports of meat, grain, and oilseed products in major third-country export markets, including sanitary and phytosanitary measures and technical barriers to trade; and,

- a quantitative analysis of the economic effects of preferential tariffs negotiated under Brazil's free trade agreements on U.S. and Brazilian exports of meat, grain, and oilseed products, as well as the economic effects of selected non-tariff measures on U.S. and Brazilian exports of meat, grain, and oilseed products in major third-country export markets.

Assuming there are no undue financial constraints on the Commission in FY2011 and FY2012, this report should be completed no later than eleven months from the receipt of this request. As we intend to make the report available to the public, we request that it not contain confidential business information.

Sincerely,

Max Baucus
Chairman
Committee on Finance

Orrin Hatch
Ranking Member
Committee on Finance

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