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BAUCUS, HATCH, GRASSLEY CALL ON CHINA TO REDUCE BARRIERS TO U.S. AGRICULTURAL EXPORTS

*Finance Senators Release International Trade Commission Report Showing China's Barriers Limit
U.S. Exports, Say Policies Cost U.S. Jobs*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.), Ranking Member Orrin Hatch (R-Utah) and senior Committee member Chuck Grassley (R-Iowa) today called on China to reduce trade barriers to U.S. agricultural products following the release today of a report by the U.S. International Trade Commission (ITC). [The report, requested by Baucus and Grassley](#), details the Chinese government measures that limit U.S. agricultural exports to China. The Finance Committee Senators said this report indicates a greater need for China to remove its harmful and unjustified barriers to U.S. agricultural products.

"China is our number one market for U.S. agricultural product exports, but China's unjustified trade barriers are blocking some of our goods such as wheat and beef and hurting job growth in the U.S.," said Baucus. **"We need to hold China accountable to its international agreements so American ranchers and farmers can compete on a level playing with their world-class, safe agricultural products."**

"Today's ITC report notes China's inconsistent and unpredictable adherence to the rules-based global trading system. Citing alleged food safety concerns, China has opted to outright ban U.S. beef and impose significant restrictions on other U.S. agricultural products, including pork. Such unjustified claims impede access to the Chinese agricultural market – a major destination for American commodities – and, ultimately, hurt American farmers and ranchers. It is imperative that China drop these barriers and further open its market to American agricultural goods," said Hatch. **"Over the coming months, I will review China's progress in further opening its market to U.S. agricultural products consistent with its international obligations. I commend Senators Baucus and Grassley for requesting this report and I look forward to working with them to address the current challenges and potential opportunities involving agricultural trade with China."**

"In joining the World Trade Organization, China committed to adhering to international trade rules," Grassley said. **"These rules include eliminating non-tariff trade barriers that have no basis in science or that exist just to prop up a domestic industry at the exclusion of trade partners. This report shows China's policies harm exports of U.S. products including pork, beef, and corn. U.S. producers should have full access to the Chinese market. It's necessary for supporting U.S. jobs, and it's China's obligation to allow legitimate access as a member of the World Trade Organization."**

The report provides a comprehensive review of the conditions of competition in China's agricultural market and trade, and their effects on U.S. agricultural exports. While China is the largest market in the world for U.S. agricultural goods, the report notes that U.S. exports to China are concentrated in just a

few commodities, primarily soybeans and cotton. The report finds that Chinese government support for the agriculture sector boosts the competitiveness of Chinese agricultural products relative to U.S. products. While China's agricultural tariffs are significantly higher than those of the United States, the report notes that China's average agricultural tariffs are relatively low in comparison to some other trading partners of the United States. Yet China's restrictive and non-transparent tariff rate quotas significantly limit imports of U.S. rice, wheat, and other products. Of even greater concern, the report finds that China imposes non-tariff barriers that effectively prohibit imports of certain products, such as U.S. beef, strawberries, and fresh potatoes, and significantly restrict imports of other U.S. products, such as pork and apples. According to the report, the elimination of China's tariffs and non-tariff barriers could result in an additional \$3.9 billion to \$5.2 billion in U.S. agricultural exports to China. The report notes that China imports more food than it exports, and will likely continue to do so, because demand, driven by rapidly rising per capita income, is expected to outpace increases in domestic production. The report also finds that Chinese consumers typically view imported food as higher quality and safer than domestically-produced food.

The Senate Finance Committee has exclusive jurisdiction over international trade. The full ITC report is available [here](#).

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