

**Statement to the United States Senate Committee on Finance
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Good afternoon. My name is Craig Lang. I'm a fifth generation farmer from Brooklyn, Iowa. My family and I farm a thousand acres of corn and soybeans and milk 400 head of dairy cows. I am the president of the Iowa Farm Bureau and I also serve on the American Farm Bureau Federation board of directors. Thank you for the opportunity to speak with you about agricultural trade.

There is no question that export markets are important to American agriculture. We export about a fourth of this country's farm production. Iowa is second only to California in agriculture exports. In 2005, Iowa exported about 4 billion dollars of agricultural products. That represents 27 percent of total farm cash receipts in my state.

American farmers rely on growth potential in export markets. The U.S. is a mature consumer market, with food consumption only increasing as population increases. However, for the 95 percent of the world's population that lives outside our borders, it is different story. Population growth, income growth and consumption growth in the developing countries of Asia, Central and South America and Africa are creating more demand for our products. Currently, we are trending away from our traditional export markets in Europe and Japan while increasing trade with our NAFTA partners. Today, Canada and Mexico buy a third of our U.S. farm exports.

Consumption trends for food and commodities are flat in this country, but increasing dramatically in markets like China. Soybean consumption in the U.S. market has increased by approximately 25 percent compared to a decade ago. However, Chinese soybean consumption has grown 236 percent in the last ten years. Why? Income growth is resulting in more demand for animal protein in the Chinese diet. Therefore, Chinese pigs, chickens, dairy cows and fish are being fed Iowa soybeans. India is another huge developing market, with a middle class that now outnumbers the entire U.S. population. It is very clear that our most exciting trade opportunities are overseas.

However, despite the previously mentioned trade opportunities, we still face trade barriers, such as; high import tariffs, restrictive import quotas, embargoes due to plant or livestock disease issues and concerns about biotechnology, just to name a few. Often times, these barriers are nothing more than excuses that have more to do with politics than food safety or science. We need your help addressing these frustrations. Many trade difficulties could be remedied by government-to-government negotiations, with the staff at the USDA, USTR, FDA, and even the State Department meeting with their foreign counterparts. It is crucial that we continue the funding and staffing levels for those Federal agencies that support agricultural trade.

Bilateral and regional free trade agreements are doing much to open new markets for American agriculture. We are grateful to the USTR's tireless negotiators and hope that Congress will quickly ratify treaties as they are concluded. It is critical that Congress take immediate action on

the Peru and Colombia Trade Promotion Agreements. Combined, these agreements represent an additional \$1.5 billion in U.S. agricultural exports after full implementation of the agreements. Currently about 90 percent of agricultural products from these two countries enter the United States duty free due to preferences. Passage of these agreements will provide U.S. agriculture exports the same duty free treatment. If they fail, U.S. agriculture is left facing significantly high tariffs while Colombia and Peru maintain duty free access to the U.S.

We continue to support multilateral trade negotiations like the WTO Doha Round. Success in the WTO could make progress on farm subsidy reform, export subsidy and import tariff reductions with 149 other countries at once. American farmers are willing to trade significant reductions in trade-distorting domestic farm support for real tariff reductions and proportionate gains in market access.

Our trade partners need to know that we are serious about a successful conclusion to WTO negotiations. To send this message, it is imperative that Congress renew Trade Promotion Authority before it expires at the end of June (2007). Efforts to establish new bilateral and multilateral trade agreements will come to a halt without TPA.

Congress should remove the restrictions on agricultural trade with Cuba. Cooperatives in my state of Iowa have sold more than 75 million dollars of corn, soybeans, and wheat to Cuba in recent years. We could increase trade activity by easing restrictions on travel to Cuba, bringing Cuban inspectors to visit U.S. processing plants and allowing financial transactions with Cuban buyers.

In addition to trade policy and trade negotiations, farmers count on Congress to support American agriculture with trade development and promotion. The USDA Market Access Program, Foreign Market Development Program and other grant programs help leverage check-off funds, agribusiness contributions and trade association dues from organizations like the Iowa Farm Bureau. These resources are used to engage in overseas marketing and promotion of American products. The Iowa Farm Bureau is coordinating a biotechnology regulatory training project in China with a USTDA grant funds. We are confident that this will result in longer-term capacity, infrastructure and an improved regulatory environment for trade with the Chinese.

As a farmer and farm organization leader, I'm excited about the potential for trade that lies over the horizon and outside our borders. Population growth, economic growth and consumption growth occurring in developing countries is a constant reminder of how important trade is to the American farm economy and our economy as a whole. American agriculture, in partnership with our government, should keep negotiating access to those markets, removing trade barriers and working to develop and promote trade.