

July 7, 2011

Dear Member of Congress:

As the House Ways and Means Committee conducts mark ups of the three pending Free Trade Agreements (FTAs), National Farmers Union (NFU) urges members of Congress to oppose these FTAs unless changes are made to make sure that the FTAs are fair for each party involved. As described in a policy resolution NFU's membership passed in the spring of 2011, in order for NFU to support the FTAs negotiated with South Korea (KORUS), Colombia and Panama, inequalities stemming from lack of market access, weak labor standards, extraordinary foreign investor rights and currency manipulation must be addressed.

The U.S. International Trade Commission has released their analysis of the KORUS agreement. Losers under the agreement include all oilseeds (which include soybeans), wheat and specialty crops (which include forages, sheep, goats and horses). The report predicts that the agreement would lead to an increase in the overall U.S. good trade deficit of \$308 to \$416 million because seven U.S. industrial sectors will see net losses. The Economic Policy Institute projects the agreement will cost the U.S. 159,000 jobs in the first seven years. At a time of high unemployment, it would be irresponsible to pass this job-killing FTA.

The U.S. Treasury declared South Korea a currency manipulator in 1988 and 1999. In February 2011, the Treasury issued a warning that South Korea was taking the same steps as it did before past devaluations. Devaluing their currency could wipe out any gains achieved in any sector of the agreement. The KORUS agreement does nothing to address currency manipulation, which puts U.S. producers at an economic disadvantage.

Although U.S. agriculture has a substantial net trade surplus with the world as a whole, U.S. agriculture is currently running a net trade deficit with countries that have FTAs with the U.S. In fact, U.S. agriculture has actually done worse after FTAs have been entered into.

As your committee considers the pending FTAs, given our concerns, we strongly urge members to vote against the agreements.

Sincerely,

Roger Johnson
President, National Farmers Union