

December 7, 2007

The Honorable Rosa DeLauro  
Chairman  
Subcommittee on Agriculture,  
Rural Development, Food and Drug  
Administration, and Related Agencies  
United States House of Representatives

The Honorable Jack Kingston  
Ranking Republican Member  
Subcommittee on Agriculture,  
Rural Development, Food and Drug  
Administration, and Related Agencies  
United States House of Representatives

The Honorable Herb Kohl  
Chairman  
Subcommittee on Agriculture,  
Rural Development, Food and Drug  
Administration, and Related Agencies  
United States Senate

The Honorable Robert Bennett  
Ranking Republican Member  
Subcommittee on Agriculture,  
Rural Development, Food and Drug  
Administration, and Related Agencies  
United States Senate

Dear Chairman DeLauro, Chairman Kohl, Representative Kingston, and Senator Bennett:

The undersigned organizations are writing to urge you to provide for the Fiscal Year 2008 funding of three critical USDA export programs: the GSM-102 Export Credit Guarantee Program, the Foreign Market Development (FMD) Program, and Market Access Program (MAP). Our request is driven by the continued refusal on the part of the Office of Management and Budget (OMB) to carry out its ministerial duty to apportion funds for these programs. OMB acknowledges that USDA has the authority to operate these programs under the Agricultural Trade Act of 1978 and the Commodity Credit Corporation Charter Act. Despite this clear statutory authority, OMB has declined to apportion FY08 funds for the three programs, thereby interrupting their operation at the expense of U.S. agricultural exports.

GSM-102 program allocations for the current fiscal year were to have been announced by October 1, 2007. The lack of availability of GSM-102 Credit Guarantees reduces U.S. agricultural export competitiveness and results in long-term damage to buyer confidence in USDA programming and access to U.S. supply. GSM-102 financing is particularly critical in today's operating environment, in which overseas buyers are facing a combination of record commodity prices, high and rising freight costs, and decreasing credit availability. For example, the U.S. was shut out of the recent purchase of 164,000 MT of wheat by the Turkish Grain Board (TMO), valued at \$62 million. Despite interest from the market, GSM-102 was not available for this purchase and the wheat was supplied by the EU and other competitors. TMO is expected to make additional sizeable purchases in the coming weeks but will be unable to undertake a planned buying mission to the U.S. without FMD funds or to source wheat from the U.S. without GSM-102 guarantees. This is just one of numerous examples of the negative impact that the lack of FY08 programming is having on U.S. export opportunities. Furthermore, the lack of FMD funding will soon force numerous U.S. cooperator organizations to cancel overseas market development activities, terminate overseas employees, and close overseas offices.

The Market Access Program is crucial to American agriculture's ongoing efforts to open, expand, and maintain overseas markets for U.S. products. Like FMD, it is among the few tools specifically allowed in unlimited amounts under World Trade Organization (WTO) rules to help American agriculture and American workers remain competitive in a global marketplace still characterized by highly subsidized foreign competition. (Notably, last week the EU announced it would reinstitute outright export subsidies for pork).

Together, MAP, FMD, and GSM-102 have been crucial to maintaining and expanding U.S. agricultural exports, protecting American jobs, and strengthening farm income. They have helped make agriculture one of the few sectors of the American economy that provides a positive contribution to our nation's overall trade balance.

We urge you to provide funding for the GSM-102, FMD, and MAP programs in the pending Continuing Resolution or Omnibus Appropriations Bill.

Thank you for your consideration of this matter of importance to U.S. agriculture.

Sincerely,

Ancot  
American Cotton Shippers Association  
American Farm Bureau Federation  
American Feed Industry Association  
American Soybean Association  
California Farm Bureau Federation  
California Table Grape Commission  
Farm Credit Council  
Florida Citrus Commission  
Florida Citrus Packers Association  
Florida Department of Citrus  
National Association of State Departments of Agriculture  
National Association of Wheat Growers  
National Barley Growers Association  
National Confectioners Association  
National Corn Growers Association  
National Cotton Council  
National Council of Farmer Cooperatives  
National Grain and Feed Association  
National Oilseed Processors Association  
National Renderers Association  
National Sorghum Producers  
North American Export Grain Association  
North American Millers' Association  
Pet Food Institute

Produce Marketing Association  
Southern U.S. Trade Association  
Sunkist Growers  
The Popcorn Institute  
USA Dry Pea and Lentil Council  
USA Poultry & Egg Export Council  
USA Rice Federation  
US Dry Bean Council  
U.S. Livestock Genetics Export, Inc.  
US Rice Producers Association  
U.S. Wheat Associates, Inc.  
Western Pistachio Association  
Western U.S. Agricultural Trade Association

cc: Chairman Robert C. Byrd  
The Honorable Thad Cochran  
Chairman David Obey  
The Honorable Jerry Lewis  
Chairman Collin Peterson  
The Honorable Bob Goodlatte  
Chairman Tom Harkin  
The Honorable Saxby Chambliss