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## Congress of the United States

House of Representatives Washington, DC 20515-4319

May 2, 2019

## Dear President Trump:

You and your Administration are to be commended for taking the necessary steps to get China to the negotiating table to rectify several long-standing unfair trade practices that have undermined U.S. competitiveness and security. This is a tremendous undertaking that can have important, long-term benefits for the U.S. economy by resolving significant structural issues in China.

As you know, U.S. agriculture has benefitted significantly from trade with China, with exports to China of about \$20 billion in 2017. These exports have been particularly important to the U.S. cotton industry, which is the world's largest exporter and third largest producer. In recent years, China has been the first or second largest export market for U.S. cotton.

Last year, China imposed 25 percent retaliatory tariffs on U.S. agricultural commodities, including cotton and cotton textile products. Since that time, U.S. cotton's market share in China has declined significantly. In the current marketing year, U.S. market share is only 11 percent, compared to 45 percent in the previous marketing year. The lost market share has been taken primarily by Brazil, whose market share has quadrupled from 7 percent last year to 28 percent this year.

The U.S. cotton industry has worked for years to build market share in China by demonstrating the quality, reliability, and competitiveness of its product, and it is concerned about the potential long-term loss of this hard-earned market share in China. Once lost, this market share can take years to rebuild, especially because textile mills prefer consistent sources of cotton fiber.

As representatives of significant cotton producing and textile manufacturing districts, we respectfully urge you and your negotiating team to ensure that one outcome of an agreement with China is the immediate removal of Chinese retaliatory tariffs on U.S. agricultural products, as well as commitments to purchase increased quantities of U.S. cotton, cotton yarn, and other commodities. In addition, the U.S. should push for greater flexibility and transparency in the administration of import quotas. Given the current economic struggles across the U.S. farm belt, restoration of this key export market will provide a much-needed boost in U.S. commodity prices and will meet the growing import needs of China for food, fiber, and feed crops.

Thank you for your commitment to U.S. farmers and ranchers. We, along with our producers, urge you to ensure fair competition and increased market share in a final agreement with China.

Sincerely,

Jodey C. Arrington

Member of Congress

Ron Estes

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Ron Ester

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David Schweikert Member of Congress

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