

May 31, 2007

U.S. Trade Representative Susan Schwab
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador Schwab:

The undersigned organizations, representing all of the U.S. “program commodities,” are writing to express our deep concern regarding the negotiating landscape described in the “Challenge Paper” recently put forward by the Chairman of the Doha Round Agricultural Negotiations Committee.

The fundamental dilemma continues to be that described in our June 1, 2006 letter to the President (and in several letters from Congress, most recently the April 12 letter signed by 58 Senators). Reductions in, and limitations on, U.S. domestic support can only be justified if they yield an important net gain for American farmers and ranchers through commitments on market access and other trade-distorting policies. The October 2005 U.S. offer was fully conditioned on achieving such a result --but our negotiating partners have repeatedly made clear that they are unwilling to make the commitments necessary to achieve this goal.

While we appreciate Ambassador Falconer’s strenuous efforts to advance these negotiations, the “Challenge Paper,” grounded in the Chairman’s sense of the underlying political realities, does not represent a step forward in the negotiations. The paper foresees the need for substantial additional cuts in overall U.S. support, further cuts in de minimis caps, and intrusive caps on Amber and Blue Box supports that would sharply curtail U.S. flexibility in administering its programs. At the same time, it envisages extensive loopholes to market access commitments and other disciplines that would not allow American farmers and ranchers to realize an important net gain. These loopholes are in the various forms of special treatment for sensitive products, special products, special safeguards, and pervasive “special and differential” provisions.

Instead of moving toward the objective in our June letter, the negotiations have been characterized by escalating demands for significant new U.S. concessions on domestic support while our trading partners in both developed and developing countries have clung tenaciously to positions that would virtually ensure that the gains from market access resulting from the Doha Round do not achieve our desired result. We strongly urge you and our negotiating team to hold firm in its strenuous opposition to such an unacceptable outcome and look forward to working with you to reach an agreement our organizations and the farmers and workers we represent can support.

Sincerely,

American Soybean Association
American Sugar Alliance
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Cotton Council
National Milk Producers Federation
National Sorghum Producers
National Sunflower Association
U.S. Canola Association
U.S. Wheat Associates
USA Dry Pea & Lentil Council
USA Rice Federation

cc:

Director General Pascal Lamy

Chairman Crawford Falconer

Secretary Mike Johanns

Special Doha Agriculture Envoy Joseph Glauber