

**Wally
Herger**
Congressman

2nd District - California

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Herger Promotes Northern California Agriculture at Hearing on CAFTA

(WASHINGTON, D.C.) -- During a Ways and Means Committee hearing on the Central American Free Trade Agreement (CAFTA), Congressman Wally Herger questioned Acting U.S. Trade Representative Peter Allgeier about the existing disparity in the tariff treatment of agriculture products moving to and from the United States. The following is a transcript of the discussion. In addition, video of this discussion is available on Congressman Herger's web site (address below).

Congressman Herger:

"I want to thank you for being here today on this incredibly important issue to American trade and particularly for the area I represent. I represent one the of the richest agricultural districts in the nation, growing a major percentage of our nation's dried plums, rice, walnuts, almonds, pistachios, just to mention a few of the specialty crops. So when I look at a pending trade agreement I pay very close attention to how the agreement treats American agriculture. The agricultural producers in the northern California district I represent depend on foreign markets. We cannot eat all the commodities we grow.

"More than 60 percent of California almonds are exported, about half of our dried plums are exported, and just under half of our rice is exported. When I travel around my district and meet with farmers I consistently hear the refrain that trade that must be a two way street. I support this agreement because I believe it takes the current situation, where our markets are open to other countries, and yet Central American markets are basically less open to our commodities, and it turns the relationship into a two way street.

"The average Central American-Dominican Republic tariff on agriculture ranges from 35-60 percent, by contrast 99 percent of all US imports from DR-CAFTA country enter the US duty free. This, Mr. Ambassador, is a one-way street. This agreement is the best chance to open markets for our agricultural producers and make our trade relationship for the first time a two way street.

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"Take rice for example, I represent one of the largest rice producing districts in the nation, today US rice exports face CAFTA duties of up to 60 percent. This agreement would bring down these duties over time and would allow for 400,000 metric tons of US rice immediately. This is why USA Rice Federation and US Rice Producers Association are publicly supporting this agreement. The same is true for our California almonds, another large commodity in my district, current duties can reach 20 percent in DR-CAFTA countries.

"Under the agreement, California almond, walnut, pistachio producers benefit from immediate duty free access from all DR-CAFTA countries. This is why Blue Diamond Growers is publicly supporting this agreement and I could go on and on how this agreement is a win-win for US agriculture. So my message is this: We should not allow the very tiny minority of US agriculture that believes it will be negatively impacted to derail this agreement that is so crucially important to so many.

"Ambassador, I would appreciate any thoughts you might have on this point."

The Honorable Peter Allgeier, Acting United States Trade Representative:

"Thank you very much Congressman. Well I think the point you were making about the great disparity in the tariff treatment between our agricultural products going into Central America and their products here is really the central point of the agricultural side of this.

"You referred to rice and you said that tariffs are as high as 60 percent for American rice going into these markets. Well that's the applied rates, but under the WTO some of these countries would have the right to raise their rice tariffs to 90 percent.

"And if you look at other products, and of course their rice to come in zero duty. If you look at other products it's a very similar sort of thing, in soybeans, in soy products, they have WTO rights that would allow them to charge up to 90 percent on our soybeans and soy products but we allow their products in for zero.

"If you look at vegetable its as high as 60 percent. We allow theirs in for zero. I could go on as I'm sure you could and that's the reason that 60 agricultural organizations in the US strongly support this agreement."

Congressman Herger:

"Well, Ambassador, again I thank you. Mr. Chairman, this agreement, again, should be bipartisan. We should have basically 100 percent support on this. This is a win-win for almost everyone in our nation.

"And we should not allow a small group, a small minority, to somehow be successful in throwing a monkey wrench into an agreement that is so crucially important to our economy and our nation and so many of our citizens."

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