

## The Hill

### **Trade Agreements Would Increase Exports, Boost Employment**

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Last month in his State of the Union address, President Obama pledged efforts to “double our exports” over the next five years and to “seek new markets aggressively, just as our competitors are.”

I agree with these sentiments, but if the President is serious about this commitment he is going to have to create and implement some form of a trade agenda. Aside from these remarks, the President and his administration have been virtually absent on the issue since he took office more than a year ago. Presently, three pending free trade agreements await congressional approval and the President has not pushed for passage. America's farmers and ranchers are losing trade opportunities at a time when our nation can ill-afford to lose any occasion to strengthen our economy.

While nearly every industry in America can benefit from expanding exports, agriculture is one of the most trade-dependent industries in the U.S. today. According to the U.S. Department of Agriculture, agricultural exports support one-third of all jobs on the farm and two-thirds of jobs off the farm, such as trade and transportation services, food processing, and other manufacturing sectors. Overall, exports account for more than 25 percent of total agricultural sales and more than 95 percent of the world's consumers live outside the U.S.

U.S. Department of Agriculture estimates that every dollar of exports creates another \$1.48 in supporting activities such as processing, finance, shipping, and packaging of agricultural goods. U.S. agricultural exports currently support nearly 900,000 jobs. And, historically, agriculture has enjoyed a trade surplus, which in recent years has been the one bright spot in an otherwise grim economy.

But new challenges are mounting and old challenges remain. Our exporters are competing with every other recession-hit country that is trying to stimulate its economy. According to one USDA official, the U.S. agricultural surplus is expected to decline by a half billion dollars in 2010 as food imports increase.

Additionally, American exporters face new and bigger tariff and non-tariff trade barriers as they seek to sell their products overseas. Arbitrary barriers and closures of markets will have an impact on American producers who have, in many cases, worked for years to establish customers in other countries.

Today's unique economic circumstances make it critical to eliminate barriers that exist for trade and improve market access for U.S. products in an effort to boost sales abroad. One way to immediately increase our exports is for Congress to approve the free trade agreements with Columbia, South Korea, and Panama. Combined, these agreements are

worth more than \$2.6 billion in agricultural market access. This is in addition to our current exports to those countries. And, the vast majority of benefits from these three agreements would take effect immediately upon implementation.

The trade agreement with Columbia not only would strengthen relations with an important ally, but would open the door for more than \$900 million in previously untapped market access. Our exporters have unnecessarily faced more than \$2.5 billion in tariffs on products to Columbia. Once the agreement is implemented, U.S. exporters would benefit from duty-free treatment, which would account for more than half the value of our current trading relationship. Currently, U.S. agricultural exports do not receive duty-free access to Colombia.

South Korea has an \$18.9 billion import market for agricultural goods. The U.S. is already the largest agricultural exporter to Korea with \$5.5 billion in exports for 2008. If the U.S. Korean Free Trade Agreement were implemented, half of the agricultural products we send would immediately enter duty-free.

Even the President's own trade representative has acknowledged the tremendous potential for increased trade flows through the U.S.-Korea Free Trade Agreement, which is considered the most economically significant agreement to be negotiated in 16 years. Our agricultural sector alone stands to gain an additional \$1.6 billion in new market access in Korea, which would result in a 30 percent increase from 2008.

In addition to failing to push for these free trade agreements, President Obama has yet to announce any kind of trade agenda. He claims that his newly launched National Export Initiative will help farmers and small businesses increase their exports, but we have yet to see any concrete details for how this will happen.

Moreover, his recently released budget reveals proposals to cut important trade activities by 20 percent. It is difficult to imagine how President Obama plans to double U.S. exports without a specific trade agenda, without fully funded promotion programs, and without new market access through trade agreements. He warned the American people that when it comes to trade we cannot sit “on the sidelines” and “lose the chance to create jobs on our shores.” Those of us who live and work in agriculture and throughout rural America could not agree more, and we are waiting for the President to become an active player in the game.