

Trade Policy Statement

US wheat industry cannot support passage of U.S.-Australia Free Trade Agreement

The following letter was sent to Ambassador Robert Zoellick, the Senate Finance Committee, Senate Agriculture Committee, House Ways and Means and the House Agriculture Committee:

Thursday, March 18, 2004

RE: Australian Free Trade Agreement

Dear :

The wheat producers of the United States, represented by the National Association of Wheat Growers (NAWG), the Wheat Export Trade Education Committee (WETEC), and U.S. Wheat Associates, write today to communicate our disappointment in the proposed US-Australian Free Trade Agreement. For a number of years, since negotiations began, we have called for ending the monopoly practices of Australia's wheat board, one of the most egregious actors in world wheat trade. This agreement fails to implement any reform of the monopoly.

Though the aim of ending AWB's export monopoly was not achieved, we recognize that U.S. negotiators secured an agreement from Australia that the parties would work, through WTO negotiations, to "develop disciplines that eliminate restrictions on an entity's right to export." USTR assures us that this statement is a change in the prior Australian position, and supports our organizations' broad policy goal to negotiate State Trading Enterprise (STE) disciplines at the WTO. We hope that through this development, our trade negotiators will be able to more effectively advance STE disciplines when the Doha WTO Round resumes.

We greatly appreciate the United States Trade Representative and U.S. Department of Agriculture negotiators' efforts to address this issue. We believe there is value in the FTA language agreed to by the Australian government. However, since the agreement does not bring an end to the export monopoly and its trade-distorting practices, the US wheat industry cannot support the passage of the agreement.

Sincerely yours,

Bruce Hamnes
Chairman
Wheat Export Trade Education Committee

Alan Lee
Chairman
U.S. Wheat Associates

Mark Gage
President
National Association of Wheat Growers