



National Family Farm Coalition

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Dear Member of Congress,

The National Family Farm Coalition representing family farmer and rancher groups from across the country, urges you to oppose the free trade agreement with Peru, which will be considered by Congress this week. While the environmental and labor standards of the Peru Free Trade Agreement may be a marked improvement upon previous FTAs, the Peru FTA continues the failed NAFTA-model for agriculture that has severely harmed both farmers overseas and family farmers at home. The United States, once an agricultural export powerhouse, now verges on becoming a net food importer, placing our food security in peril.

In 1996, the U.S. had a \$27.3 billion agriculture trade surplus. Post-NAFTA and other FTAs, that trade surplus has been whittled down to \$4.7 billion. Recent consumer concerns over the Chinese wheat gluten scandal and tainted foreign seafood, as well as highly publicized e.coli meat recalls, have placed our food system in jeopardy. Now is not the time to be allowing for more cheap foreign imported food which undercut American family farmers and ranchers. Instead, we must create a system that emphasizes food sovereignty that supports local food systems that respects rural communities and promotes environmentally sustainable farming.

The Peru FTA, contrary to the claims of a few commodity organizations reflecting the interests of corporate agribusiness, will not benefit the vast majority of American farmers and ranchers. The U.S. already has a large and growing agricultural trade deficit with Peru. When President Bush took office in 2001, the U.S. had a small, \$6 million agricultural trade surplus with Peru. In 2006, that had become a nearly \$400 million agricultural trade deficit. Despite concerns that growing agricultural imports could disadvantage American farmers and undermine food safety, agricultural issues were nearly entirely excluded from the May 10th deal between the White House and some congressional Democrats. Family farm organizations had urged that the free trade agreements be modestly modified to exclude sensitive agricultural products from coverage and to strengthen our food safety rules, but even these reasonable requests were not addressed.

The free trade deals since the 1990s have been little benefit to most family farmers in the U.S. Since the WTO and NAFTA went into effect, the United States has lost more than a quarter million independent family farms. For most of that period, commodity prices were at record lows, requiring expensive taxpayer subsidy bailouts to ensure the survival of many farmers, despite the promises of increased market access and exports. The overwhelming majority of American farmers would see little or no gain from the Peru free trade deal. Many vegetable and fruit growers will likely face surging, cheaper imports of fresh and processed fruits and vegetables.. Already, the asparagus industries in California and Washington have been devastated in recent years by the flood of cheap imports by Peru. Processing companies such as Del Monte and Green Giant have shifted their production to Peru to take advantage of lower farmland, labor, and environmental compliance costs.

American ranchers will be harmed by the Peru FTA's failure to include food safety standards for cattle. Peru's beef production is growing and could soon export to the U.S., despite a foot-and-mouth disease (FMD) problem. Inadequate rules of origin would allow cattle from non-Peruvian countries such as Argentina and Brazil to be slaughtered in Peru and allowed preferential access to U.S. markets. In the wake of serious food safety concerns and downward harmonization of health and safety standards that disadvantage U.S. cattle producers, the Peru FTA should not be passed.

As harmful as the Peru FTA will be for American farmers and ranchers, the effects on Peruvian farmers could be more devastating. International grain traders have dumped below-cost corn into developing countries. Under NAFTA, over a million Mexican farmers and their families have been driven off the land due to U.S. dumping. Many of those displaced farmers have ended up in the U.S. Peruvian corn and rice farmers would likely face similar disasters as the U.S. starts dumping cheap commodities into the Peruvian market. Government agencies, international farm organizations, and development groups predict that the Peru trade deal will result in significant rural dislocation.

Farmers at home and abroad need a new direction on trade and agriculture policy that protects rural livelihoods and promotes food sovereignty instead of promoting a race to the bottom among farmers that outsources our food security. FTAs directly undermine and weaken renewed consumer demand for specialty crops and local foods. The first step in that new direction must be rejection of the Peru Free Trade Agreement.

Sincerely,

George Naylor, President, National Family Farm Coalition