



American Corn Growers Association

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June 25, 2007

The Honorable Susan C. Schwab, Ambassador
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Schwab:

We noticed that the G4 talks in the Doha broke down once again last week. As international trade talks resume in the near or distant future, it's our hope you will address a problem that is of serious concern to America's corn growers and producers.

One of our primary concerns is the way in which the U.S. continues to allow agricultural super-powers—such as China, India, Brazil and Argentina—to hide behind the self-decelerated and inaccurate label of being a “developing” country. As you know, in doing so they use this label to protect the unfair subsidies provided to their farmers in WTO negotiations.

China's economy is anything but developing—it is a world super-power with enormous economic clout. Brazil manages an ethanol empire. India continues to take jobs away from Americas under the moniker of “outsourcing.” Argentina is among the world's largest beef and soy producers.

Common among all of these countries is the way in which they leverage subsidies—direct and indirect—to give them an unfair advantage in the world market. How can anyone label these countries as “developing?”

And in the irony of all ironies, earlier this year Brazil and Argentina joined forces in complaining that the U.S. provides illegal government handouts to corn producers. They're complaining about us, even as we have made deep cuts to our farm safety net and are being asked to make more.

Brazil depends upon decades-old subsidies to dominate the world ethanol market. It uses market dump techniques to artificially dominate world markets and devalue currency to give businesses an unfair advantage.

Argentina consistently implements price controls on corn, beef, soy and other commodities in an attempt to artificially control Argentine inflation. Then they turned their backs on global investors—and many Americans—to the tune of \$20 billion in repudiated debt in the wake of a \$100 billion-plus bond default, establishing Argentina as the pinnacle of both bad business and indirect subsidies.

This great nation was built upon a healthy and vibrant corn crop. America's corn farmers can—and want to—compete with any farmer in any country. We have the technology and generations of know-how necessary to feed and fuel the world.

We ask that you investigate the unfair business and subsidy practices so recklessly used in countries like Brazil and Argentina and the way in which “developing” countries are able to abuse a label that should be saved for countries that are truly in need of it.

We thank you for your attention in this matter and look forward to working with you and your staff on these important issues.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry Mitchell". The signature is written in a cursive, slightly slanted style.

Larry Mitchell
Chief Executive Officer
The American Corn Growers Association