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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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April 26, 2011

The Honorable Deanna Okun
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

DOCKET NUMBER 2800
Office of the Secretary Int'l Trade Commission

Dear Chairman Okun,

The success of U.S. agriculture depends on strong export sales. The United States exported \$116 billion in agricultural goods in 2010, representing more than one-third of U.S. farm cash receipts. The U.S. Department of Agriculture estimates that these exports support approximately one million U.S. jobs, both on and off the farm. As per capita incomes rise, especially in developing countries, so does demand for food and fiber.

The United States is one of the few countries in a position to boost farm exports to meet this increasing demand. Brazil is another. Brazil's global exports of agricultural products have grown substantially over the last decade, largely in beef, pork, poultry, soybeans, and corn—all products exported in significant quantities by the United States. This growth has altered the competitive landscape in global agricultural markets and resulted in declining market shares for U.S. agricultural exporters in certain countries and products.

We are writing to request that the U.S. International Trade Commission (ITC) conduct an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) regarding competitive factors in Brazil affecting U.S. and Brazilian agricultural sales in third country markets. The report should cover the period 2006-2010, and focus on the global meat, grains, and oilseeds markets.

To the extent possible, the report should include the following:

- an overview of agricultural markets in Brazil, including recent trends in production, consumption, and trade;
- an overview of U.S. and Brazilian participation in global export markets for meat, grain, and oilseed products, particularly in the European Union, Russia, China, and Japan, and markets with which Brazil has negotiated trade agreements;

- a description of the competitive factors affecting the agricultural sector in Brazil, in such areas as costs of production, transportation and marketing infrastructure, technology, exchange rates, domestic support, and government programs related to agricultural markets;
- a description of the growth of Brazilian multinational agribusiness firms and their effects on global food supply chains;
- a description of the principal trade measures affecting U.S. and Brazilian exports of meat, grain, and oilseed products in major third-country export markets, including sanitary and phytosanitary measures and technical barriers to trade; and,
- a quantitative analysis of the economic effects of preferential tariffs negotiated under Brazil's free trade agreements on U.S. and Brazilian exports of meat, grain, and oilseed products, as well as the economic effects of selected non-tariff measures on U.S. and Brazilian exports of meat, grain, and oilseed products in major third-country export markets.

Assuming there are no undue financial constraints on the Commission in FY2011 and FY2012, this report should be completed no later than eleven months from the receipt of this request. As we intend to make the report available to the public, we request that it not contain confidential business information.

Sincerely,



Max Baucus
Chairman
Committee on Finance



Orrin Hatch
Ranking Member
Committee on Finance