

September 12, 2013

Chairman Debbie Stabenow
Committee on Agriculture, Nutrition and Forestry
United States Senate
Washington, D.C. 20510

Chairman Frank Lucas
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Ranking Member Thad Cochran
Committee on Agriculture, Nutrition and Forestry
United States Senate
Washington, D.C. 20510

Ranking Member Colin Peterson
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Stabenow and Lucas and Ranking Members Cochran and Peterson:

On behalf of the undersigned business organizations, we write to express our concern that the new Farm Bill may have the unintended consequence of exposing the United States to the risk of a World Trade Organization (WTO) finding of noncompliance and sanctioned retaliation that could harm American farmers, ranchers, workers, and companies. As you undertake conference deliberations, we urge you to consider measures to guard against this risk.

At a time when we need to spur U.S. economic growth and job creation, seizing the benefits of international trade is more important than ever. The opportunities facing American exporters are immense. Outside our borders are markets that represent 80 percent of the world's purchasing power and 95 percent of its consumers. Many Americans are already seizing these opportunities. One in three manufacturing jobs depends on exports, and one in three acres on American farms is planted for consumers overseas.

It is in this context that we urge you to consider how both the Senate Adverse Market Payments and House Price Loss Coverage counter-cyclical programs run the substantial risk of violating obligations the United States has undertaken as a signatory of the WTO agreements for the same reasons a WTO panel found the U.S. noncompliant in the *U.S.-Upland Cotton* dispute. We are particularly concerned that the proposal in one version of the Farm Bill to recouple program payments with actual acreage in production of the program crop will quickly invite other nations to initiate dispute settlement against the United States—and do so with a good chance of success. Judging from the results of retaliation in earlier adverse WTO rulings, this could endanger hundreds of millions of dollars in U.S. exports and thousands of American jobs. Please see further analysis [here](#).

We appreciate that the task of completing the Farm Bill is a formidable one. We write to bring these matters to your attention in an effort to assist in minimizing the risk that U.S. farm programs violate trade agreements and jeopardize export opportunities, economic growth, and job creation. Thank you for your consideration of our views.

Sincerely,

National Association of Manufacturers National Foreign Trade Council
U.S. Chamber of Commerce

cc: Members of the Senate Committee on Agriculture, Nutrition and Forestry and the House Committee on Agriculture