

National
Grain and Feed
Association



North American
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U.S. Grain Industry Reiterates Support for Comprehensive, Far-Reaching Reform of Agricultural Trade through WTO

WASHINGTON – The two major organizations representing the U.S. grain, feed and processing industry today (July 24) renewed their call for comprehensive, substantive and far-reaching reforms in agricultural trade following the announcement of an indefinite suspension in multilateral trade negotiations under the World Trade Organization’s (WTO) Doha Development Round.

The National Grain and Feed Association (NGFA) and the North American Export Grain Association (NAEGA) expressed their strong support for the efforts of U.S. trade negotiators in the Doha Round, particularly their commitment to achieve broad-based reforms in all three pillars of the agricultural negotiations – elimination of export subsidies, substantial reductions in trade-distorting domestic supports and real, meaningful improvements in market access.

“In our view, the bar that would represent meaningful reform is quite high,” said NGFA President Kendell W. Keith and NAEGA President and Chief Executive Officer Gary C. Martin. “Based on the disappointing news from Geneva today, it is obvious that all countries need to offer much more to achieve that objective than has been evident to date.”

In particular, the two U.S. organizations said attempts by certain developed and advanced-developing countries to shield products from import competition undercut a key objective of the Doha Round – achieving meaningful market access to substantially expand trade flows.

“We commend U.S. trade negotiators for continuing to press for a strong, balanced agreement, and for indicating that they had the flexibility to offer further reductions in trade-distorting domestic supports and enhanced market access,” Keith and Martin said. “As strong supporters of aggressive trade liberalization in agricultural markets – and as advocates of the ambitious reform to substantively reduce or eliminate major trade-distorting policies within a relatively short time frame, our sincere hope is that WTO-member nations will weigh the price of failure and rededicate themselves to using this opportunity to bring tangible reform to world agricultural trade and real benefits to all countries.

“The consequences of failure would be particularly harmful to the developing world, for which these negotiations are dedicated,” the NGFA and NAEGA said.

The two organizations also said it was “vitally important” that the United States and other WTO-member countries remain focused on achieving a meaningful WTO agreement. “One undesirable alternative is to see new world trading rules emerge through a seemingly endless series of litigations brought by WTO-member states against one another,” the NGFA and NAEGA said. “Overarching WTO global agricultural trading rules also provide the essential foundation on which to base and implement trading relationships around the world, including the treatment accorded to various agricultural products under existing and future bilateral and regional trade agreements.”

The two organizations said they also will be urging the U.S. Congress to renew the president’s trade promotion authority, which is scheduled to lapse in July 2007.

The United States and every other global trading partner stand to benefit from more open world agricultural trade, the NGFA and NAEGA said. Currently, the United States exports about 50 percent of its wheat; 50 percent of its soybeans as either raw, processed or meat-equivalent products; and about 30 percent of its corn and corn value-added products. Exports also have been a major engine of growth for the meat sector, with U.S. beef, pork and poultry exports tripling in the 1990s, during which the U.S. share of world meat trade more than doubled. Meanwhile, the United States has only about 5 percent of the world’s population but 20 percent of its agricultural production capacity.

The NGFA, established in 1896, consists of 900 grain, feed, processing, exporting and other grain-related companies that operate about 6,000 facilities that handle more than 70 percent of all U.S. grains and oilseeds. The NGFA's membership encompasses all sectors of the industry, including country, terminal and export elevators; feed manufacturers; cash grain and feed merchants; end users of grain and grain products, including processors, flour millers, and livestock and poultry integrators; commodity futures brokers and commission merchants; and allied industries. The NGFA also consists of 36 affiliated state and regional grain and feed associations, as well as two international affiliated associations. The NGFA has strategic alliances with the Pet Food Institute and the Grain Elevator and Processing Society, and has a joint operating and services agreement with NAEGA.

NAEGA, established in 1912, is a not-for-profit trade association comprised of private and publicly owned companies and farmer-owned cooperatives involved in and providing services to the bulk grain and oilseed exporting industry. NAEGA member companies ship practically all of the bulk grains and oilseeds exported each year from the United States. The Association's mission is to promote and sustain the development of commercial export of grain and oilseed trade from the United States. NAEGA acts to accomplish this mission from offices in Washington D.C., and in markets throughout the world.