



National Grain and Feed
Association



North American Export
Grain Association

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January 13, 2012

The Honorable Ron Kirk
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

**Re: *Canada's Expression of Interest in the Trans-Pacific Partnership Trade
Negotiations; Docket: USTR-2011-0019***

Dear Ambassador Kirk:

Thank you for your leadership and interest in further assessing Canada's expression of interest in participating in the Trans-Pacific Partnership Trade Negotiations (TPP).

The TPP negotiations represent a great opportunity to support U.S. economic growth and job creation through trade and investment with Asian-Pacific countries, as well with our North American trading partners. The North American Export Grain Association (NAEGA) and National Grain and Feed Association (NGFA) look forward to working with all stakeholders to deploy a TPP that reduces or eliminates impediments to exporting grains, oilseeds, processed grain products and other agricultural products from the United States to countries around the globe, including Canada.

Both NAEGA and the NGFA, which jointly submit this statement in response to the notice published in the December 7, 2011 *Federal Register*, have a strong tradition of supporting free trade. Established in 1896, the NGFA is comprised of more than 1,050 member companies involved in grain-handling, feed manufacturing, grain milling and processing, and grain exporting that operate in excess of 7,000 facilities and handle more than 70 percent of the U.S. grain and oilseed crop. NAEGA consists of private and publicly owned companies and farmer-owned cooperatives that are involved in and provide services to the bulk grain and oilseed exporting industry. NAEGA's mission is to promote and sustain the development of commercial export of grains and oilseeds, and their primary products.

The United States and Canada share the world's largest and most comprehensive bilateral trading relationship, which supports millions of jobs in both countries. Canada is the leading export market for 36 U.S. states. In 2010, the United States exported \$249.1 billion in merchandise, including agricultural products, representing 75 percent of the value of Canada's imports. It is important to note that in 2009, nearly 30 percent (\$9.8 billion) of U.S.-Canada agricultural trade

was generated by grains and oilseeds, making it one of the largest sectors of bilateral trade in agriculture. Further, the United States exported \$384.4 million in corn to Canada in 2009, representing 97 percent of Canada's corn imports.

Canada, a major exporter of grain and feed, is the most accessible large regional market for U.S. grain and feed commodities, second only to Mexico. With only 0.5 percent of the world's population, Canada also has been a significant importer of U.S. ethanol, malt, soybeans, soybean meal and vegetable oils, corn, distillers dried grains and corn gluten feed and meal.

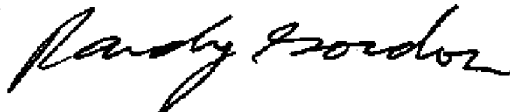
Importantly, in 2012 we expect Canada's Marketing Freedom for Grain Farmers Act to complete the effort to end the egregious single-desk, official monopoly marketing program of the Canadian Wheat Board. The Canadian government also is providing global leadership in the serious trade impediments related to the low-level presence (LLP) of genetically modified plant material in U.S. export shipments.

Building upon the recent success of the North American Free Trade Agreement and Canada's leadership on important agricultural trade-related policies, its participation in TPP promises to provide significant gains to both American and Canadian agricultural economies and consumers. With Canadian participation, we believe the TPP can successfully incorporate new initiatives to establish provisions to enhance food security and predictability of supply, while establishing provisions to increase and facilitate trade in agricultural products produced with new technologies.

Ultimately, we anticipate that a successful TPP outcome will contribute to a comprehensive agreement that provides for gains in the provision of food safety and security, grain and oilseed product quality, and necessary protection of plant health, while providing for vibrant agriculture economies. Further, we encourage completing a Trans-Pacific Partnership in 2012 that adds Canada, Japan and Mexico by mid-year 2012.

Thank you for your consideration of our comments. We look forward to any opportunity to support the timely completion of TPP.

Sincerely,



Randy Gordon
Vice President, Communications
and Government Relations
National Grain and Feed Association



Gary Martin
President and CEO
North American Export Grain Association