

FOCUS ON AGRICULTURE

For the week of: January 31, 2011

American Farm Bureau Federation

Create Jobs by Ratifying Free Trade Agreements

By John Hart

For more than 100 years, members of Congress sat divided by party at the annual State of the Union address. But this year, as a symbol of civility, many Republicans and Democrats broke with tradition and chose to sit together in what was known as “date night.” Lawmakers wanted to demonstrate to their constituents that they were willing to work together to do the nation’s business.

It was a nice gesture, but it is only through legislative action that true bipartisanship is achieved. The philosophical differences between the two parties are significant and the disagreements are real. However, on many issues there is accord. Top among them are economic policies that create jobs. Government policy that promotes trading opportunities is vital for this.

Since members of the 112th Congress have signaled they are willing to work together, they can turn their symbolism into deeds by ratifying pending free trade agreements this year. Ratification of the U.S.-Korea, Colombia and Panama free trade agreements is critical for economic stability and job creation.

On the morning of Jan. 25, when President Barack Obama delivered his State of the Union address, the president of the American Farm Bureau Federation, Bob Stallman, testified before the House Ways and Means Committee, on the three pending trade agreements. Stallman’s message to lawmakers: the inability of Congress to ratify the pacts is hurting economic growth, and lawmakers must take action to implement policy that creates jobs and doesn’t take them away.

“These trade agreements are not only important to the bottom line of America’s farmers and ranchers, but to the economic health of our rural communities and the overall U.S. economy,” Stallman testified. “The Agriculture Department estimates that every billion dollars in agricultural exports creates 9,000 jobs. There is a long supply chain made up of American workers who get products from the farm gate to our foreign consumers. A decline in our exports means a decline in work for those who are part of that supply chain.”

Combined, the Korea, Colombia and Panama agreements would add an additional \$3 billion to the economy through agricultural trade. Once fully implemented, the Korea free trade agreement would trigger \$1.8 billion in exports. Gains in exports through the Colombia trade agreement are estimated at \$815 million, while the Panama agreement is estimated to increase U.S. agricultural exports to more than \$195 million.

Congress should waste little time and work with the Obama administration so that the Korea, Colombia and Panama trade agreements are approved. By ratifying the agreements this year,

Congress can move beyond symbolic civility, enhancing economic opportunity for the United States and creating new jobs for American citizens.

-30-

John Hart is director of news services for the American Farm Bureau Federation.