



January 30, 2004

U.S. House of Representatives
Washington, DC

Dear Representative:

On behalf of the millions of American consumers of dairy and beef products in the United States, I am writing to urge you to contact the White House and express your support for including meaningful market reforms in these commodities in the U.S.-Australia Free Trade Agreement and all subsequent free trade agreements. Consumers for World Trade (CWT) is a national, non-profit, non-partisan organization, established in 1978 to promote the consumer interest in international trade and to enhance the public's awareness of the benefits of an open, multilateral trading system to everyone's daily life. CWT is the only consumer group in America whose sole mission is to educate, advocate and mobilize consumers to support trade opening legislation.

The current offer of a 25 year phase-out of the quota and duty on beef and dairy imports, which would be "offset" with a safeguard mechanism that could restrict imports even during the phase-out, is commercially meaningless. This "offer," along with the total exclusion of sugar, is objectionable to consumers. The U.S. buys "manufacturing beef" (lean cuts) to be mixed with U.S. fatty cuts for grinding into the "ideal" hamburger. This is what you get in fast food restaurants such as McDonald's and Burger King, and in some grocery stores. The beef quota keeps prices high, makes supplies unpredictable, and otherwise interferes with an orderly market. U.S. processors want Australian beef, because in normal (non-BSE) times, U.S. producers cannot supply enough lean cuts to meet demand.

As for dairy products, clearly the U.S. proposal is designed to maintain significant restrictions on dairy imports for decades to come. U.S. dairy policy should be implemented so as to provide a market-based incentive for domestic suppliers to be competitive with foreign production. Failing to eliminate barriers to trade in free trade agreements will only be detrimental to consumers and U.S. agricultural and food exporters. Prices of products using milk protein, and other dairy products, will remain artificially high.

We urge you and your colleagues in the Administration to remember the interests of U.S. consumers and import-dependent industries that employ millions of workers. They, too, vote and pay taxes in this country. Thank you for your support.

Sincerely,

Erik Autor
President
Consumers for World Trade