



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

May 30, 2007

Dear Chairmen and Ranking Members:

I am pleased to share with you legislative language that would implement the trade provisions of the Administration's proposal for the 2007 farm bill. We have been asked by Members and staff to provide a draft for their consideration.

I believe that our comprehensive proposals can be the building blocks for a farm bill that is more equitable, predictable, and better able to withstand challenge. More specifically, these trade proposals are intended to expand opportunities and ensure fairness for United States agricultural products in international trade.

We would expand mandatory funding for technical assistance for specialty crops, the market access program, and programs dealing with sanitary and phytosanitary barriers to trade. Trade programs administered through the Department of Agriculture would be reformed to improve performance and effectiveness, and to comply with international judgments and protocols.

The export credit guarantee program would be reformed by lifting the one percent cap on fees that can be collected, and the supplier credit guarantee program would be terminated. The facility guarantee program would be revised so that it can be more frequently used to develop infrastructure capable of handling trade with the United States.

The President is requesting authority to use up to 25 percent of P. L. 480, Title II funds for the purchase of commodities in countries where food donations are urgently needed, or from surrounding developing countries. This would allow quicker responses to famine situations or other emergency human needs. The U.S. Agency for International Development is expected to communicate separately to you on other P.L. 480 Title II matters.

I have consulted with the Office of Management and Budget, and they advise that enactment of this legislation would be in accordance with the President's program.

Chairmen and Ranking Members

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I appreciate your consideration of the legislative language that correlates with our 2007 farm bill trade proposals. I would be happy to further discuss these proposals with you or any member of Congress, and to answer any questions you might have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Johanns".

Mike Johanns

Secretary

Enclosures