

From: Robert Sutter [sutter@aboutpeanuts.com]
Sent: Wednesday, August 23, 2006 1:23 PM
To: FN-USTR-FR0625
Cc: FN-USTR-FR0625
Subject: SingaporeFTA.doc

Barbara Weisel
Assistant U.S. Trade Representative
Office of Southeast Asia and the Pacific

August 23, 2006

I am writing on behalf of the North Carolina Peanut Growers Association to express concern over the proposal to accelerate the planned reduction in duties for peanuts under the US-Singapore Free Trade Agreement as published on page 46250 in the Federal Register / Vol.71, No. 155 / Friday August 11, 2006

We oppose this acceleration for peanuts based on the following:

Peanut producers have struggled over the past five years to adjust to a peanut program that resulted in a 40% reduction in price received for a ton of peanuts. Establishment of the Posted Price and subsequently the Loan Repayment Rate by USDA has to date been a failure. Instead of exports growing and benefiting the U.S. peanut farmer, they have decreased. The production that had been exported before now must be absorbed into the domestic peanut market. Increasing the quota for Singapore would only compound that problem.

We are concerned that this proposal sets a terrible precedent for such similar actions in the future. Singapore is not a peanut producing or exporting country, so anything that comes from there will be peanuts obtained from other origins and processed in Singapore. We have long expressed concern that trade agreements should not set up new cottage industries that grow at the expense of our domestic peanut industry.

It should also be noted that the Federal Register notice described the peanuts at issue as “peanuts in snack products (HS 2008.11)”. That line of the Harmonized Tariff Schedule (2008.11) includes peanut butter, blanched peanuts and other. Peanut butter, as a rule, is not something that is thought of as a snack product.

We strongly oppose any provisions of the proposed U.S. Singapore Free Trade Agreement which would expand the quota for increased exports to the U.S. for peanut or peanut products. Also, the current quota should be subject to a “rule of origin” in order to prevent transshipments and misuse of the trade agreement.

Robert R. Sutter
CEO

North Carolina Peanut Growers Association
P.O. Box 8
Nashville, NC 27856
252 459-5060