

UNITED STATES SENATOR • IOWA
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MEMORANDUM

TO: Reporters and Editors
FR: Jill Gerber, 202/224-6522
RE: U.S.-China agricultural agreement
DA: Saturday, June 9, 2001

The United States and China reached agreement early this morning on agricultural farm subsidies, which was the major outstanding area of disagreement between China and the United States that had stopped progress on Geneva negotiations in the World Trade Organization China Working Party that would result in China's accession to the WTO. Sen. Chuck Grassley, ranking member of the Committee on Finance, made the following comment on this development:

“The agreement on farm subsidies reached by the United States and China in Shanghai early Saturday is a good deal for Iowa's farmers, and for American agriculture. The longer the impasse over how much China could subsidize its farm sector dragged on, the more I was concerned that Iowa's corn and soybean farmers, as well as our pork producers, might have to wait a long time to take advantage of the agricultural market access and tariff reduction commitments that China made to the United States in 1999. With today's agreement, that protracted impasse is over. Ambassador Zoellick and his team worked extraordinarily hard, long into the night, and brought home a win-win deal.

“When this deal is eventually affirmed by other World Trade Organization member countries later this month in Geneva, China will be on track to join the WTO at the WTO Ministerial this November. When it finally joins the 141-member WTO, China will, for the first time in its history, be part of a global, rules-based trading system that is committed to promoting predictable, open and fair competition. Once China joins the WTO, it will immediately implement a bound tariff rate of 3 percent on soybeans. It will eliminate tariff rate quotas on soybean oil by 2006. And it will slash its tariff on pork from 20 percent to 12 percent. This is exceptionally good news for Iowa's export-oriented farmers and pork producers. And it will be an extremely favorable development for America, and through the peaceful settlement of trade disputes, for the overall prospects of peace in the world. I want to again commend Ambassador Zoellick, and the entire USTR trade team, for their outstanding accomplishment on behalf of American agriculture.”