



For Immediate Release
December 11, 2009

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BAUCUS, GRASSLEY CALL FOR INCREASED EFFORTS TO ADDRESS BARRIERS TO INDIAN MARKET

International Trade Commission Report Shows Challenge and Potential for U.S. Agricultural Exporters

Washington, D.C. – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) called for improved access for U.S. agricultural products to the Indian market following release today of an International Trade Commission (ITC) report showing Indian tariff and non-tariff measures are a serious impediment to U.S. agricultural exports.

“India’s emerging market holds tremendous potential for U.S. agricultural exporters, though high tariffs and non-tariff barriers prevent our farmers, ranchers and agribusinesses in Montana and across the nation from taking advantage of this opportunity,” Baucus said. **“USDA and USTR should redouble their efforts to remove these barriers through vigorous trade negotiations and increased trade facilitation.”**

“The report makes it clear that India imposes a lot of barriers to imports of U.S. agricultural products, including those from Iowa,” Grassley said. **“For example, the United States can’t export corn to India in any large volumes because of high tariffs. There’s an effective ban on imports of agricultural biotech products. The licensing procedures are burdensome. Many other U.S. commodities face similar restrictions. U.S. negotiators need to continue working to increase market access for U.S. farm products in the Indian market. The demand is growing. U.S. producers are ready to meet that demand.”**

The report, requested jointly by Baucus and Grassley, notes U.S. agriculture exports to India are minimal, with India receiving less than 0.5 percent of U.S. agricultural exports in 2008, despite India’s rapidly growing middle class and 1.2 billion potential consumers of U.S. products.

The report provides a comprehensive review of tariff and non-tariff measures facing U.S. agricultural exports to India, including high tariff rates, excessive sanitary and phytosanitary standards, non-transparent customs procedures, burdensome licensing procedures, an inefficient marketing and distribution system, and ineffective patent protections for genetically modified seeds. The report also highlights the changing demographics in India, noting that India will need to import more agricultural products in the coming years, as its agricultural production is unlikely to keep up with rising demand. Baucus and Grassley want to ensure that U.S. producers, processors, and shippers are poised to take advantage of this expanding market.

The report is available on the U.S. International Trade Commission website at <http://www.usitc.gov/publications/332/pub4107.pdf>.

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