



For Immediate Release
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**BAUCUS, GRASSLEY SEEK ITC INVESTIGATION
OF INDIA MARKET ACCESS
FOR U.S. AGRICULTURAL PRODUCTS**

Finance leaders say findings could help lower barriers to key U.S. exports

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) today requested a study of the agricultural market in India including the effects of tariff and non-tariff measures on U.S. agricultural exports. In their letter to Chairman Shara L. Aranoff of the U.S. International Trade Commission (ITC), the Senators asked that data in the report span a five year period from 2003-2008, and be submitted within ten months of receipt of their letter.

“In my home state of Montana and around the country there are agricultural producers that can and should benefit from better access to India’s growing marketplace. Although the United States is a top exporter of wheat, peas and lentils, only five percent of India’s agricultural imports come from the U.S.,” said Baucus. **“This report should give us a comprehensive view of the Indian market and its regulatory scheme, so that we can begin to remove barriers and get more of our Montana and American-made goods to the people of India.”**

“India is one of the world’s largest economies, yet U.S. farm products constitute only a small share of India’s agricultural market. This investigation will help us to understand what factors, including Indian government policies, have led to U.S. products having a disproportionately low presence in the Indian market. With this information, we’ll be in a better position to determine how to further open India to U.S. agricultural exports, including Iowa farm exports. This report may also help to provide further direction for U.S. engagement in the Doha Round trade negotiations,” Grassley said.

The text of the Senators’ letter follows here:

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January 13, 2009
The Honorable Shara L. Aranoff
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

Dear Chairman Aranoff,

U.S. agriculture depends on reliable access to global markets. Strong economic growth in developing countries like India presents opportunities for U.S. agricultural exports. Although the United States is globally competitive in a wide variety of agricultural products – ranging from wheat, corn, soybeans, peas, lentils, and edible oils – U.S. farmers only provide about 5 percent of India’s current food imports. While U.S. exporters can provide individual examples of trade measures that prevent their sales to India, the extent to which trade and investment measures account for the disproportionately low U.S. share of India’s agricultural imports remains largely undocumented.

We are writing to request that the U.S. International Trade Commission (ITC) conduct an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) regarding the effects of tariff and non-tariff measures on U.S. agricultural exports to India. The report should cover the period 2003-2008, or the period 2003 to the latest year for which data are available.

To the extent possible, the report should include the following:

- an overview of the Indian agricultural market, including recent trends in consumption, imports, and domestic supply;
- a description of the principal measures affecting Indian agricultural imports, including tariffs, sanitary and phytosanitary measures, food regulations, packaging and labeling requirements, pricing policies, intellectual property policies, and customs procedures;
- information on Indian government regulations, including state regulations, covering agricultural markets and foreign direct investment affecting U.S. agricultural products in India;

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- an evaluation of the impact of India's food marketing and distribution system, including market structure, transportation infrastructure, and cold-storage capacity, on U.S. agricultural products in the Indian market; and,
- a quantitative analysis of the economic effects of Indian tariffs, and to the extent possible, non-tariff measures on U.S. agricultural exports to India.

The Commission should provide its completed report no later than ten months from the receipt of this request. As we intend to make the report available to the public, we request that it not contain confidential business information.

Sincerely,

Max Baucus
Chairman

Chuck Grassley
Ranking Member

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