

**TESTIMONY OF  
TRAVIS SATTERFIELD, CHAIRMAN  
RICE COMMITTEE, DELTA COUNCIL  
SENATE COMMITTEE ON FINANCE  
TUESDAY, SEPTEMBER 23, 2003  
10:00 A.M.**

**215 DIRKSEN SENATE OFFICE BUILDING**

Mr. Chairman and Members of the Committee:

My name is Travis Satterfield and I am a rice farmer from Benoit, Mississippi. I appear before you today representing Delta Council, which is the principal voice representing the interest of cotton, rice, catfish, grains and oilseeds in the Mississippi Delta. Also, we are pleased to advise the Committee that both the USA Rice Federation and the U.S. Rice Producers Association have requested that their organizations be associated with and considered to be supportive of our statement before you today.

First, we would like to express our appreciation to the Committee for placing emphasis on the importance of trade relations between U.S. agriculture and Mexico. Mexico is a major importer of U.S. agricultural commodities, and with specific reference to U.S. rice, Mexico is our largest export market. In 2002, U.S. rice farmers exported 730,000 metric tons to Mexico and this number reflects substantial improvements from the period of the early 1990s when we were only exporting 146,000 metric tons. U.S. rice accounts for 92% of Mexico's rice imports and almost one-half of all rice consumed by their population is purchased from the United States. Since the per capita rice consumption in Mexico is extremely low, the U.S. rice industry has anticipation that consumption will grow in Mexico as import duties on rice from the United States ended on January 1, 2003. (see attachment)

It is important for us to point out that Mexico's decision to impose punitive anti-dumping duties on certain imports of milled

rice from the United States is a serious blow which threatens to erode the full benefits of NAFTA to U.S. rice producers, millers, and exporters. These anti-dumping penalties against the U.S. rice industry came at a conspicuous time, since import tariffs on milled rice were lifted on January 1, 2003 in concert with the terms of NAFTA. The consequences of the anti-dumping penalties against U.S. milled rice are already registering problems as we look at a 34% decline in exports of U.S. milled rice during the first three months of 2003, as compared to 2002.

As farmers, and as a rice industry, we enjoy trade relations with Mexico which have resulted in Mexico becoming our primary rice customer; however, in response to the anti-dumping duty which has been imposed on U.S. milled rice, our industry will continue legal action in the form of an appeal within Mexico and we support a filing by the U.S. Government for a dispute settlement case in the World Trade Organization.

The U.S. rice industry is heavily dependent on rice exports and it is essential to us as rice producers, that we maintain the continuing growth of the export market to Mexico. We value Mexico as our primary market for rice, but in the spirit of enforcing existing agreements and obligations which are critical to maintaining open markets, we hope that the United States Government will consider the recent imposition of anti-dumping duties on milled rice and other U.S. commodities by the Ministry of the Economy for Mexico as a very serious matter.

On behalf of Delta Council, the USA Rice Federation, and the U.S. Rice Producers Association, we want to thank your Committee, Mr. Chairman, for affording us the opportunity to appear before you today and submit these comments.

Respectfully,

Travis Satterfield, Chairman  
Rice Committee  
Delta Council