

November 15, 2005

Honorable Rob Portman  
United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Honorable Mike Johanns  
Secretary of Agriculture  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250

Dear Ambassador Portman and Secretary Johanns:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit the report of the Agricultural Technical Advisory Committee for trade in Grains, Feed, and Oilseeds on the Free Trade Agreement with Oman, reflecting a consensus advisory opinion on the proposed Agreement.

Sincerely,

A handwritten signature in black ink, reading "Donald E. Latham". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

Donald E. Latham  
Chair  
Grains, Feed, and Oilseeds ATAC

The U.S.-Oman Free Trade Agreement (FTA)

Report of the  
Agricultural Technical Advisory Committee for trade in Grains, Feed, and Oilseeds

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Agricultural Technical Advisory Committee for trade in Grains, Feed, and Oilseeds

**Advisory Committee Report to the President, the Congress and the United States  
Trade Representative on the U.S. – Oman Free Trade Agreement**

**I. Purpose of the Committee Report**

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principle negotiating objectives set forth in the Trade Act of 2002.

Pursuant to these requirements, the Grains, Feed and Oilseeds ATAC hereby submits the following report.

**II. Executive Summary of Committee Report**

The Grain, Feed and Oilseeds ATAC fully endorses the FTA reached with Oman. Under the terms negotiated in the agreement, Oman will immediately eliminate the already small tariffs (5 percent or less) on U.S. grain and oilseed products. U.S. grain and oilseeds will also benefit from the immediate removal of similarly minor tariffs on meat and poultry products. Oman has agreed to important technical changes such as the use of science-based sanitary and phytosanitary measures under transparent procedures, as well as transparency and expeditious execution of other customs procedures. Oman has also agreed to eliminate restrictive government-mandated self-life requirements.

We note with approval that this FTA is comprehensive, and its rules of origin will ensure that only U.S. and Omani goods benefit from the agreement.

### **III. Brief Description of the Mandate of the Grains, Feed and Oilseeds ATAC**

The advisory committee is authorized by Sections 135(c)(1) and (2) of the Trade Act of 1974 (Pub. L. No. 93-618), as amended, and is intended to assure that representative elements of the private sector have an opportunity to make known their views to the U.S. Government on trade and trade policy matters. They provide a formal mechanism through which the U.S. Government may seek advice and information. The continuance of the committee is in the public interest in connection with the work of the U.S. Department of Agriculture (USDA) and the Office of the U.S. Trade Representative. There are no other agencies or existing advisory committees that could supply this private sector input.

### **IV. Negotiating Objectives and Priorities of the Grains, Feed and Oilseeds ATAC**

The negotiating objective of the Grains, Feed and Oilseeds ATAC is to ensure the best possible marketing opportunities for U.S. agriculture.

### **V. Advisory Committee Opinion on Agreement**

Generally it should be noted that Oman is a very small country with just 3 million people, and already has a relatively open market. However, there are several fundamental reasons that it is important for U.S. producers to have optimal access to this market. First, the Omani population is very youthful and growing at a rapid pace. Second, its per capita GDP is nearly \$13,000 per year ensuring that its consumers have the financial wherewithal to acquire the protein and other dietary requirements of a youthful population. Finally, its arable land base is the equivalent of 35 people per acre, which means that it is highly dependent on imports for its food.

These dynamics are reflected in Oman's agricultural production and trade statistics. The country's cereals production has been relatively stagnant at 5.5 million tons while imports of cereals have been increasing at around 5 percent per year. (Note that imports via Dubai/UAE could make these figures higher.) This free trade agreement will at least provide an additional opportunity for U.S. suppliers of grain, feed and oilseeds to compete for this business. For example, Oman has been importing wheat from Argentina, Australia and India, and there is new competition from Russia and other Black Sea region suppliers. The terms of this agreement coupled with the higher quality of U.S. wheat creates a somewhat improved opportunity.

As a result, the Grain, Feed and Oilseeds ATAC endorses the FTA with Oman.

**VI. Grain, Feed and Oilseed ATAC Membership**

<b>NAME</b>	<b>ORGANIZATION</b>	<b>CITY/STATE</b>
Donald E. Latham, Chairman	Latham Seed Company	Alexander, IA
Dan L. Anderson	Anderson Wheat Farms, Inc.	Haxtun, CO
Mark T. Anderson	Anderson Hay and Grain Co., Inc.	Ellensburg, WA
Gary R. Blumenthal	World Perspectives, Inc.	Washington, DC
Devry S. Boughner	Cargill, Inc.	Washington, DC
James E. Bowman	Monsanto Company	St. Louis, MO
Kyd D. Brenner	DTB Associates, LLP	Washington, DC
Fred J. Clark	Cornerstone Government Affairs	Washington, DC
Robert E. Cummings, Jr.	USA Rice Federation	Arlington, VA
Steven J. Daugherty	Pioneer Hi Bred International, Inc.	Des Moines, IA
Neal H. Fisher	North Dakota Wheat Commission	Bismarck, ND
John D. Gordley	Gordley Associates, Inc.	Washington, DC
Paul B. Green	Paul B. Green International Marketing	Washington, DC
John K. Hansen	Nebraska Farmers Union	Lincoln, NE
R. Rusty Harder	Competitive Strategic Intelligence, Inc.	Story City, IA
Kenneth L. Hobbie	U.S. Grains Council	Washington, DC
Lurlin L. Hoelscher	Hoelscher Ag Dist., Inc.	Alden, IA
Christopher D. Holdgreve	National Grain and Feed Association	Washington, DC
Daniel T. Kidd	Kidd Brothers Farms	Big Sandy, MT
Ronald J. Litterer	Pro-Net Farms and Four Seasons Pork, LLC	Greene, IA
David C. Lyons	Louis Dreyfus Corporation	Washington, DC
Timothy D. McGreevy	USA Dry Pea and Lentil Council	Moscow, ID
Robert J. Metz	Metz Farms, Inc.	Browns Valley, MN
Joel G. Newman	American Feed Industry Association	Arlington, VA
John G. Reed, Jr.	Archer Daniels Midland Company	Washington, DC

Robert M. Reeves	Institute of Shortening and Edible Oils	Washington, DC
Mark A. Rokala	Cornerstone Government Affairs	Washington, DC
Candace A. Roper	CoBank, ACB	Englewood, CO
Claude P. Rosson, III	Texas A&M University	College Station, TX
Michael E. Rue	Catlett Warehouse	Marysville, CA
Ladd M. Seaberg	MGP Ingredients, Inc.	Atchison, KS
Deborah J. Silverberg	National Corn Growers Association	Washington, DC
Robert H. Sindt	US Dry Bean Council	Washington, DC
Barbara R. Spangler	Wheat Export Trade Education Committee	Washington, DC
Alan T. Tracy	U. S. Wheat Associates, Inc.	Washington, DC
Margaret A. Tutwiler	International Food & Agricultural Trade Policy Council	Washington, DC
David M. Winkles, Jr.	South Carolina Farm Bureau	Columbia, SC