Statement of Senator Mary Landrieu
U.S. Senate Committee on Agriculture, Nutrition and Forestry
Hearing on the Central America Free Trade Agreement
June 7, 2005

Thank you, Mr. Chairman. I appreciate the opportunity to testify before the Committee today about the Central America Free Trade Agreement (CAFTA). As it is currently written, this trade agreement would have a serious and harmful affect on sugar producers in my state. The sugar industry of Louisiana is not only the economic life blood of many communities, it is a way of life and a part of who we are.

Mr. Chairman, many of my concerns over this proposed trade agreement were summed up in a recent letter from Louisiana Governor Kathleen Blanco to President Bush. Governor Blanco urged the President to withdraw the trade deal for one simple reason: CAFTA will equal job loss and financial despair for 27,000 Louisiana sugar workers and farmers.

Let me read just one passage from that letter, the full text of which I will submit for the record.

“The economic impact of CAFTA and other bi-lateral trade agreements on the state will be disastrous. Louisiana stands to lose $750 million in direct sugar sales, as well as $2 billion in industry-related revenue each year.”

In this letter, Governor Blanco very eloquently laid out the economic hardships that would befall our state if CAFTA passes. But the damage to Louisiana goes well beyond dollars and cents. The damage is much bigger than longer unemployment lines in sugar country.

CAFTA threatens a proud heritage and a way of life in Louisiana that dates back more than 250 years. Our great-great-great grandfathers were raising cane long before our country was even born. Since 1751, Louisiana sugar cane farmers have been farming the fertile soil of our great state. Before the marble walls of Congress were ever erected, Louisianans built an industry that would whether hurricanes, the Great Depression and even the Civil War.

But today, we’re talking about dealing this proud industry a death blow. We’re talking about undoing centuries of tradition and stripping

away jobs from efficient Louisiana farmers. These farmers have good reason to be proud. American sugar producers are among the most efficient in the world. Two-thirds of the world's more than 100 sugar-producing countries produce at a higher cost than the U.S. And in my state of Louisiana, farmers produces about 20% of the sugar grown in the United States and currently ranks fourth in the nation in production of sugar, producing an average revenue of $750 million per year. CAFTA is a relatively small trade deal with a group of countries whose combined economies are smaller than that of New Haven, Connecticut. This seems like a bad deal for an efficient and highly productive industry; another bad deal for Louisiana sugar.

Nearly half of all Central Americans earn less than $2 a day, and they simply cannot afford the meats or crops we have to sell.

That's why the Louisiana Farm Bureau has joined other state Farm Bureaus, the National Association of State Departments of Agriculture, and numerous national farm groups in opposing CAFTA.

Even the government's own economic estimates say that CAFTA will mean little to agriculture or to our country as a whole; and these are

known to be quite optimistic estimates. That's because—as the administration points out time and time again—we already dominate the import market of this poor region.

According to estimates by the U.S. International Trade Commission, CAFTA would actually *increase* our trade deficit with Central America while benefiting our economy by less than *one-hundredth of one percent*. That's worth repeating again. The administration's economists say that CAFTA will increase our trade deficit with the region while boosting our own economy by less than 0.01 percent.

This same study concluded that for other farmers, CAFTA would have "a negligible impact on total U.S. production and employment." Specifically for wheat—a supposed winner—the ITC says: "U.S. wheat exports to the region face no tariffs…and thus are not likely to be affected by the [CAFTA]."

Why then are we talking about dismantling my state's sugar industry? U.S. farmers and ranchers get little in return for sending thousands to the ranks of the unemployed.

As a Committee, I urge you to take a long, hard look at our country's current agricultural trade agenda. This year, the USDA says America will import as much food as we export. The agricultural trade surplus that stood at $27 billion less than 10 years ago is now gone.

The promises made to farmers during the NAFTA debates have come up flat. And the promises that will be made today about CAFTA are contradicted by the administration's own estimates.

In closing, let me say that to sacrifice even one job for a trade deal that will deepen our agricultural trade deficit is a travesty. And, having to tell thousands of hard-working farmers in Louisiana that they must look for work because sugar was used as a bargaining chip is unbearable.

I urge you all to join me in voting no on CAFTA if it is ever sent to Congress.

Mr. Chairman, thank you for the opportunity to testify before your Committee today.