

February 16, 2010

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
Washington, DC 20250

Dear Mr. Secretary:

The undersigned organizations are writing to urge that additional GSM-102 export credit guarantee allocations be made available by USDA's Foreign Agricultural Service. We believe the immediate release of additional guarantees under the GSM-102 program will result in increased U.S. farm exports, boost the farm economy and save and create jobs in rural America.

With credit markets still fragile, many would-be importers of U.S. farm products are awaiting the release of additional GSM guarantees before entering into transactions with U.S. exporters. Nearly five months into the program's fiscal year, USDA has released only \$1.2 billion of the \$5.5 billion in GSM-102 export credit guarantees authorized by Congress for fiscal year 2010. Section 202(k) (2) of the Agriculture Trade Act of 1978 requires that USDA maximize U.S. exports and the use of the guarantees. The \$1.2 billion in guarantees released for the program year in 2009 was vastly oversubscribed by exporters – indicating that program utilization was artificially constrained by a lack of GSM-102 allocations. The same very difficult global credit markets that existed at the time of the release of the \$1.2 billion in guarantees persist for many importers.

President Obama in his recent State of the Union address called for efforts to “export more of our goods.” We strongly support the Administration's initiative in this regard and look forward to working with you on the “National Export Initiative that will help farmers and small businesses increase their exports”. Releasing additional GSM export credit guarantees – including the reallocation for general use of the \$150 million of guarantees that are limited to “non-bulk/restricted” products and that remain unused from the initial Fiscal Year 2010 program allocations announced in November, 2009 – is a critical step that will allow U.S. agriculture to increase U.S. farm exports. Immediate action to make additional GSM-102 allocations will be a major step in response to the President's pledge to “seek new markets aggressively, just as our competitors are.”

We stand ready to work with USDA to seize this and additional opportunities to boost U.S. farm exports.

Respectfully,

Please find attached listing of organizations signatory to this letter.

AMCOT
P.O. Box 2827
Lubbock, TX 79408
Van May, Chairman, (806) 763-8011

American Cotton Shippers Association
1725 K Street, NW, #1404
Washington, DC 20005
Neal P. Gillen, (202) 296-7116

American Feed Industry Association
2101 Wilson Blvd. Suite 916
Arlington, VA 22201
Joel Newman, President & CEO, (703) 524-0810

American Soybean Association
12125 Woodcrest Executive Drive, Suite 100
St. Louis, MO 63141-5009
Steve Censky, CEO, 314-576-1770

CoBank
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Todd Van Hoose, 202-879-0827 tvanhoose@CoBank.com

National Association of Wheat Growers
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Washington, DC 20002
Dana Peterson, CEO, (202) 547-7800 dpeterson@wheatworld.org

National Chicken Council
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William P. Roenigk, Senior Vice President, 202-296-2622 ext. 118

National Corn Growers Association
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Washington, DC, 20001-2109
Darrin Ihnen, President, (202) 628-7001

National Cotton Council
7193 Goodlett Farms Parkway
Cordova, TN 38016
Dr. Mark Lange, President and CEO

National Council of Farmer Cooperatives
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Washington, DC 20001
Kevin Natz, Vice President, (202) 626-8700 knatz@ncfc.org

National Grain and Feed Association
1250 I Street NW, Suite 1003
Washington, DC 20005
Kendell Keith, President, (202) 289-0873

National Grange of the Order of Patrons of Husbandry
1616 H St. NW
Washington DC, 20006
Leroy Watson, (202) 628-3507 ex 114

National Oilseed Processors Association
1300 L Street, NW Suite # 1020
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Thomas Hammer, President, (202) 842-0463

National Sorghum Producers
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Tim Lust, CEO, (806) 749-3478, tim@sorghumgrowers.com

North American Export Grain Association
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USA Rice Federation
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Robert Cummings, Senior Vice President, (703) 236-2300 Rcummings@usarice.com

U.S. Rice Producers Association
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