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11:59 PM, Oct. 11, 2011

WASHINGTON -- Farmers in Indiana could be getting a glimpse of the future under trade agreements nearing approval in Congress.

Prices for pork have been soaring in recent months, and many U.S. producers have been expanding production, partly because South Korea has temporarily lifted its duty on U.S. imports. The Koreans are trying to hold down domestic pork prices after an outbreak of foot and mouth disease struck the country's farms.

The 25 percent duty will return once Korean farms return to normal, but the tariff would eventually go away for good under the pending trade agreement between the United States and South Korea.

Trade deals with South Korea, Colombia and Panama that Congress could approve as early as today could increase Indiana agriculture exports by \$54.7 million annually and add nearly 500 jobs to the Indiana economy, according to the American Farm Bureau Federation.

Pork exports are expected to grow the most, followed closely by soybeans.

The South Korean deal could increase the value of hogs by \$10 an animal, which would be an increase of about 15 percent per animal and could mean an extra \$75 million annually for the state's pork producers, according to the producers' trade association. "That's substantial," said Sarah Ford, spokeswoman for Indiana Pork, which represents the state's 3,000 pork producers.

Gary Jacobson, head of the Delphi-based meat processor Indiana Packers Corp., said growing exports is very important to the industry, which produces more than Americans can consume.

"The American farmer is a tremendous grower of livestock, and we can grow them better and faster than anybody else," Jacobson said. "They're large consumers of pork in Korea, so it's a very good market for us."

Of the three pending trade deals, the South Korea pact is expected to expand exports in all sectors the most.

Agricultural products were not among the state's top exports to South Korea last year, according to the Congressional Research Service.

But agricultural exports are expected to enjoy the greatest growth from the deal in states with large agriculture sectors.

Indiana's biggest 2010 export to South Korea was pharmaceutical products, accounting for 38 percent of the \$551 million in the state's exports to South Korea.

Harrison Cook, a senior director of international government affairs for Eli Lilly and Co., said the South Korean deal will boost drug exports, particularly for new products. The South Korean national health care system sets prices for pharmaceuticals and medical devices, and Cook said the deal should make the pricing process more transparent, more predictable, and speed the time it takes to get a drug into their market.

"You can't sell into the national health care system without your official price. Until you receive that price, which can take sometimes two to almost three years, you're not selling anything," Cook said. If the trade agreement cuts that time in half, Cook said, "that's more sales, that's more export, that's more job support back home."

President George W. Bush's administration first negotiated the three trade pacts, but President Barack Obama reopened the agreements to seek new concessions and then delayed sending the final versions to Congress for ratification until congressional Republicans agreed to extend a program that re-trains U.S. workers who have lost jobs because of foreign competition.

Indiana GOP Sens. Richard Lugar and Dan Coats voted for the Trade Adjustment Assistance program extension and support the trade deals.

Some of Indiana's House Republicans said they haven't decided whether they will vote for the worker retraining program, which benefited 14,738 Hoosiers last year.

"I've supported it in the past, and we've worked with constituents over the years who have greatly benefited from the resources," said Rep. Mike Pence, the Columbus Republican who is running for governor. "I just want to make sure that it's fiscally responsible."

Pence, however, enthusiastically backs the three trade agreements, arguing they will boost the economy.

"What we make here, what we grow here, we sell all over the world," Pence said. "I think most Hoosiers know that trade means jobs, and that's especially true in Indiana."

At least one of the state's three Democrats -- Rep. Joe Donnelly of Granger -- will vote against the trade deals.

"We need fair trade, not more so-called 'free trade' agreements that ship American jobs

overseas," said Donnelly, who is running for the Senate seat now held by Lugar.

The House Populist Caucus led by Rep. Bruce Braley, D-Iowa, wrote Obama last week citing a litany of concerns with all three deals that hadn't been addressed to the lawmakers' satisfaction. Among the problems they listed: continued violence against trade unionists in Colombia and rules that could allow Korean exports to be made with parts from other countries with cheaper labor.

Farm organizations, however, have been vocal proponents of the agreements. The National Pork Producers Council is so eager to see the Korean agreement implemented that the group agreed to a delay ending the pork tariffs so that the Obama administration could win Korean concessions on other issues.

Most U.S. pork can enter South Korea duty free in 2016, if the trade agreement is approved. South Korea's 40 percent tariff on beef would be steadily reduced until it is eliminated entirely in 15 years.

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Annual farm impacts of pending trade agreements on Indiana

South Korea: \$39 million, \$12 million from pork exports

Colombia: \$14 million, \$5.5 million from soybean exports

Panama: \$1 million, \$528,800 from corn exports

(Source: American Farm Bureau Federation)

