



Attention:
Foreign Affairs
Legislative Aide

Armenian National Committee of America

NATIONAL HEADQUARTERS

To: Friends
From: Aram Hamparian, Executive Director
Date: March 21, 2006

Re: **The U.S.-Turkey relationship**

Lobbyists for the Turkish government would like you to have a selective memory when it comes to Turkey's relationship with America.

- * The Turkish Lobby would like you to believe that Turkey is a reliable U.S. military ally, and to forget that its government blocked a crucial northern front in the Iraq War.
- * The Turkish Lobby would like you to believe that Turkey is a friend of Israel, and to forget that the Turkish government recently invited the leaders of Hamas to Ankara.
- * The Turkish Lobby would like you to believe that Turkey is a pro-U.S. state, and to forget that the Turkish government - from the Prime Minister on down - incites anti-American sentiment with movies like *Valley of the Wolves - Iraq*.
- * The Turkish Lobby would like you to believe that Turkey is good for U.S. business, and to forget that the Turkish government is unfairly restricting American textile and farm exports.

The attached fact sheet briefly outlines the impact of Turkey's unfair trade policy on U.S. rice farmers.

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The Impact of Turkey's Trade Policy on American Farm Jobs

The U.S. Trade Representative was recently forced to take the extraordinary step of filing a World Trade Organization case against Turkey for unfairly restricting American rice exports - costing U.S. agricultural jobs.

* “American rice farmers deserve fair access to Turkey’s market. Right now, American rice exports are being unfairly restricted. We have raised this issue with the government of Turkey on several occasions, but our concerns have not been addressed.”

-- **U.S. Trade Representative Rob Portman**,
Western Farm Press 11/19/05.

* “According to sources, Washington has been seeking a non-litigative solution to the issue for the past three years and has expressed its concerns regarding Turkey’s import restrictions on rice on several occasions. In reponse, Turkey has consistently denied that a problem exists.”

-- **CalTrade Report**, 3/20/06

* “The administration estimates that Turkey’s domestic rice market could be worth more than \$200 million this year. Portman said the United States had tried for three years to settle the problem but failed.”

-- **Associated Press**, 11/17/06

* “As a result of these unfair restrictions, Turkey’s imports of U.S. rice of all types have declined by two-thirds since 2003, with imports of U.S. milled and semi-milled rice down by 91 percent over the same period.”

-- **USTR Press Release**, 11/02/05



Turkey Taken to Task Over Rice

US requests WTO panel on Turkish limits on rice imports

WASHINGTON, DC - 02/25/06 - The US has officially requested a dispute settlement panel in its World Trade Organization (WTO) case against Turkey's unfair restrictions on US rice exports. The case was sparked by Turkey's import licensing system for rice, which Washington sees as "unfair" to American rice farmers and has resulted in a dramatic decline in Turkish imports of US rice in recent years.

According to a recent statement issued by the Office of the US Trade Representative (USTR), US rice farmers "are being denied access to Turkey's rice market because of that country's unfair import restrictions." Despite the request for a dispute settlement panel, the US, it said, still hopes "that a negotiated solution can be reached and that Turkey will allow US producers to compete fairly in the Turkish market."

Dispute settlement panels usually comprise three trade officials who meet behind closed doors under the authority of the WTO, the multilateral international organization responsible for the rules governing world trade. If a nation does not comply with its obligations at the end of the dispute settlement process, trade actions including sanctions can be authorized in retaliation.

Turkey re-instituted a domestic purchase requirement last November 1 allowing limited imports of the commodity at reduced duty rates, but only if an importer also purchases significant quantities of domestic rice. The US "believes the domestic purchase requirement to be inconsistent with several WTO agreements, including the Agreement on Trade-Related Investment Measures, the General Agreement on Tariffs and Trade 1994, the Agreement on Agriculture, and the Agreement on Import Licensing Procedures, according to USTR," the statement said.

According to sources, Washington has been seeking a non-litigative solution to the issue for the past three years and has expressed its concerns regarding Turkey's import restrictions on rice on several occasions. In response, Turkey has consistently denied that a problem exists.

With 70 million potential consumers, Turkey's domestic rice market is forecast to be worth more than \$200 million in 2006. The rice issue has a major impact on California's agricultural sector as the state is the second largest rice producer in the country, growing more than 18% of the US crop and boasting the its highest yields. Rice ranks as the state's 9th most important export commodity, just behind walnuts and ahead of beef and beef products. In 2002 (the last year for which figures are available), Turkey and Jordan combined to receive about 15% of California rice exports.

Currently, about 40% of the rice grown in the state is exported with about 595,000 acres - mostly in the Sacramento Valley - utilized mainly for the cultivation of the medium grain variety of rice that forms the bulk of California's rice crop and accounts for more than a fourth of total US production. The state grows more than two-thirds of the US medium grain crop, while Arkansas and Louisiana account for almost all southern medium grain production. Short grain rice is grown mostly in California and accounts for about 2% of total US production.

California's crop is planted from late April through mid-May. California typically begins harvest at the end of September and finishes by early November. Although the US produces less than 1.5% of the world's rice crop, it contributes 18% to 20% of the rice moving in world trade, according to the US Department of Agriculture's Foreign Agricultural Service (FAS).