

# Congress of the United States

Washington, DC 20510

February 2, 2023

The Honorable Katherine Tai  
United States Trade Representative  
600 17th Street NW  
Washington, D.C. 20508

Dear Ambassador Tai,

As you conduct the USTR's statutory four-year review of Section 301 actions taken to combat discriminatory Chinese trade practices, we strongly encourage you to continue the Section 301 tariffs levied on imports of amino acids and request that you expand these tariffs to specifically include two Iowa-produced amino acids, lysine and threonine. Preserving and strategically expanding these actions is in the best interest of Iowa's amino acids industry, and the long-term best interest of American workers, American communities, and the U.S. economy at large.

Amino acids are the fundamental molecules that serve as the building blocks of all proteins – and Iowa leads the way in domestic production. Derived from Iowa corn, Iowa's amino acids are a key nutrient in animal feed used by livestock producers around the nation that promotes livestock productivity, improves animal health, and enhances the environment.

The United States and China are the two largest producers of amino acids in the world. With the protection of Section 301 tariffs, investment in the U.S. amino acids industry in Webster County, Iowa, alone, has totaled over \$400 million, creating 270 direct jobs in the area, and thousands more indirect jobs. Nationally, projections show the amino acids industry produced over \$3 billion in GDP last year, and supports nearly 30,000 jobs. Unfortunately, China's predatory economic practices in this space have only gotten worse since Section 301 tariffs were introduced in 2018.

After the collapse of almost half of China's pork industry due to the African Swine Fever (ASF) in 2019 and 2020, Chinese companies began targeting U.S. markets with surplus production of subsidized amino acids – specifically lysine and threonine, both of which are used in pig feed. According to a recent study, total U.S. imports of lysine from China tripled over a four-month period in 2019 and then doubled in 2020. During this time, China's hog population began recovering, but U.S. amino acids imports from China continued to rise. China now accounts for over 85% of global threonine capacity. While imports of lysine and threonine were previously excluded from Section 301 duties, these decisions largely predated the ASF's toll on China's pork industry. With China providing immense subsidies to its amino acids industry at the expense of American producers, that decision is due for a critical review.

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1. Harmonized Tariff Schedule of the United States, 35th ed., chapter 29, headings 2922.41.00 and 2922.50, United States International Trade Commission, January 1, 2023, <https://hts.usitc.gov/view/Chapter%2029?release=2023HTSABasic>
  2. "Amino Acid Global Market Report 2022: Ukraine-Russia War Impact." ReportLinker, November 2022, [www.reportlinker.com/p06365017/Amino-Acid-Global-Market-Report-Ukraine-Russia-War-Impact.html?utm\\_source=GNW](http://www.reportlinker.com/p06365017/Amino-Acid-Global-Market-Report-Ukraine-Russia-War-Impact.html?utm_source=GNW).
  3. Brannon, Ike, and Russell Kashian. "Impact of the Amino Acids Industry on the U.S. Economy." Capital Policy Analytics, July 2021, [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3894589](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3894589).

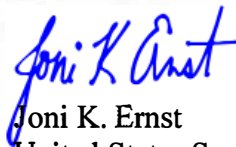
According to some estimates, if China's non-market strategy for dominance in the global amino acids market goes unchecked, U.S. economic activity could be reduced by \$15 billion a year, with corresponding reductions in tax revenues at the federal, state, and local levels of nearly \$9 billion over the next ten years. Should China succeed in crowding out domestic production, American producers who rely on these products will be left solely at the whims of proven market manipulators to determine available quantities and prices of these critical products. We cannot leave our nation's food supply and security in the hands of a Chinese Communist Party with its documented track record of perpetrating malicious economic practices.

Unchallenged Chinese control in our domestic amino acids industry will put our food supply chain at risk. We ask that you use the full weight and power of your office to protect the American amino acids industry by maintaining Section 301 tariffs on existing amino acids imports from China, and expanding these tariffs to include lysine and threonine. With your help, we can ensure the future of our domestic amino acids industry – one that protects American workers, moderates food prices, and fortifies our nation's long-term food security.

Sincerely,



Chuck Grassley  
United States Senator



Joni K. Ernst  
United States Senator



Randy Feenstra  
United States Representative