



United States
Department of
Agriculture

Foreign
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Service

FACT SHEET

U.S.-Colombia Trade Promotion Agreement Florida Farmers Will Benefit

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Florida's agricultural exports by making agricultural trade a two-way street and leveling the playing field with respect to third country competitors in the Colombian market. Already our largest market in South America, Colombia now holds even greater potential because it has agreed to immediately eliminate duties on 53 percent of current U.S. trade upon implementation of the agreement. The American Farm Bureau and over 40 other agricultural industry and farm groups strongly support the agreement by stating "the agreement will provide U.S. products exported to Colombia with the same duty-free access already granted to Colombian products exported to the U.S."

Exports of farm products boost Florida's farm prices and income. Such exports support about 20,100 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$1.7 billion and made an important contribution to Florida's farm cash receipts in 2006 that totaled \$7 billion.

Fruits and Preparations. Exports of fresh fruit to Colombia surpassed a record \$14.4 million in 2007. Florida fruit producers and processors are the state's leading agricultural exporters and third in the nation at \$730 million in 2007.

- Current duties on fruit and preparations are 15–20 percent in Colombia, and under World Trade Organization (WTO) rules, could rise to 140 percent.
- Florida's citrus growers, with \$1.2 billion of farm cash receipts, will benefit from the immediate elimination of duties on oranges, grapefruit, lemons and limes, as well as grapefruit juice and frozen concentrated orange juice.
- All duties in this sector will be eliminated immediately.

Vegetables and Preparations. In 2007, the United States exported \$1.6 million of fresh and processed vegetables and products to Colombia. Ranking fifth in exports in the nation, Florida's vegetable producers and processors will benefit from the CTPA.

- Current duties on vegetables and preparations are 5–20 percent in Colombia, and under WTO rules, could rise to 102 percent.

- Providing the largest source of state farm cash receipts, Florida tomato growers will benefit from the immediate elimination of duties on tomatoes and other tomato products by Colombia. Tomatoes ranked fourth in state cash receipts.
- *The American Frozen Food Institute and Grocery Manufacturers Association/Food Products Association publicly support the CTPA.*

Beef. In 2007, the United States exported \$386,000 of beef and beef products to Colombia. As the state's fourth largest source of farm cash receipts, Florida's ranchers and beef industry will benefit from the CTPA.

- Colombia will immediately eliminate its 80-percent duty (108 percent allowed by the WTO) on beef products of most importance to the U.S. beef industry—prime and choice cuts.
- U.S. exporters of standard quality beef cuts will enjoy immediate duty-free access through a 2,100-ton tariff-rate quota (TRQ). The TRQ will grow by 5 percent, compounded annually. Colombia will phase out the 80-percent out-of-quota tariff over 10 years after a 37.5-percent cut at the beginning of the first year of implementation.
- U.S. exporters of variety meats (offals) will immediately receive duty-free access under a 4,642-ton TRQ that will grow 5.5 percent, compounded annually. The 80-percent over-quota tariff will be phased out over 10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- Colombian exporters of beef to the United States will receive duty-free access under a 5,250-ton TRQ that will grow 5 percent, compounded annually. The United States will phase out its beef tariffs over 10 years. For those beef lines that are already duty free under the Andean Trade Promotion and Drug Eradication Act, the CTPA will continue the duty-free treatment.
- *The American Meat Institute; National Cattlemen's Beef Association; U.S. Hide, Skin and Leather Association; U.S. Livestock Genetics Export, Inc.; and Pet Food Institute publicly support the CTPA.*

Dairy. U.S. dairy exports to Colombia surpassed \$6.6 million in 2007, and changes with the CTPA will provide immediate opportunities for U.S. dairy producers. Florida dairy operators will benefit from the CTPA.

- U.S. dairy producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 159 percent. Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will immediately eliminate tariffs on whey.
- Colombia and the United States will establish duty-free TRQs for certain dairy products totaling 9,900 tons, with these TRQs growing 10 percent, compounded annually.
- All Colombian duties on dairy products will be eliminated within 15 years, with duties on some eliminated earlier.

- *The National Milk Producers Federation, U.S. Dairy Export Council, Grocery Manufacturers Association/Food Products Association, and International Dairy Foods Association publicly support the CTPA.*

Sugar. In 2007, the United States exported \$9.4 million of sugar and sweeteners to Colombia. There will be no reductions in the U.S. over-quota duty that currently provides the equivalent of a 100-percent tariff protection for domestic producers including the 4 percent of Florida farms engaged in sugar production.

- U.S. sugar producers currently face a system of variable levies (price band system) in Colombia that results in tariffs as high as the WTO ceiling of 130 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will provide immediate duty-free access for glucose, which currently faces a 20-percent duty (28 percent allowed by the WTO), through a 10,500-ton TRQ that expands 5 percent annually. Colombia will phase out the 28-percent over-quota tariff over 10 years.
- Colombia will eliminate duties within 15 years for all other sugar and sweeteners. In a few cases, duties will be eliminated sooner (such as high fructose corn syrup in 9 years).
- The United States will establish a 50,000-ton TRQ for Colombia for sugar products covered by the WTO TRQ. This amount grows by 1.5 percent a year into perpetuity.
- Provisions will ensure that Colombia will only ship when it is a net surplus exporter, and provisions have been agreed to allow alternative forms of compensation to be established to facilitate sugar stock management by the United States.
- *The Sweetener Users Association and Grocery Manufacturers Association/Food Products Association publicly support the CTPA.*