



United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

# FACT SHEET

## *U.S.-Colombia Trade Promotion Agreement* New England Farmers Will Benefit

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for New England'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 New England's farm prices and income. Such exports support about 4,900 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$434 million and made an important contribution to New England's farm cash receipts in 2006 that totaled \$2.3 billion.

**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. New England dairy producers will benefit from the CTPA because they generated about \$573 million in state farm cash receipts.

- U.S. dairy producers currently face a system of variable levies (price band system) that results in tariffs as high as the World Trade Organization (WTO) ceiling of 159 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will immediately eliminate tariffs on whey.
- Both Colombia and the United States will establish duty-free tariff rate quotas (TRQs) for certain dairy products totaling 9,900 tons, with these TRQs growing by 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.*

**Potatoes.** In 2007, the United States exported \$1.6 million of potatoes and products to Colombia. As the largest source of farm cash receipts in Maine and among the top ten in Rhode Island and providing over \$131 million in farm cash receipts, New England's potato farmers will benefit from the CTPA.

- Colombia will immediately eliminate all duties on potatoes and potato products, including frozen French fries, potato flakes and potato chips.
- *The National Potato Council, American Frozen Food Institute, and Grocery Manufacturers Association/Food Products Association publicly support the CTPA.*

**Fruits.** In 2007, the United States exported \$15.2 million of fruits and tree nuts to Colombia. Fruit producers in every New England state will benefit from the CTPA. Fruits are among the top 10 sources of farm cash receipts in many New England states.

- Current duties on fruit and preparations are 15–20 percent in Colombia, and under WTO rules, could rise to 140 percent.
- Produced in every New England state and providing \$52 million in cash receipts, New England apple producers will benefit from the CTPA as Colombia will immediately eliminate duties on apples.
- Providing nearly \$20 million in farm cash receipts, blueberry producers in Maine will benefit from Colombia's immediate duty elimination on fresh and frozen blueberries.
- Among the top three in farm cash receipts (\$62.3 million), Massachusetts cranberry producers will benefit from Colombia's immediate duty elimination on fresh and frozen cranberries.
- Providing more than \$3.5 million in farm cash receipts, peach producers in Connecticut and pear producers in Massachusetts and Connecticut will benefit from Colombia's immediate duty elimination on fresh peaches and pears.
- *The U.S. Apple Association and Ocean Spray Cranberries have expressed support publicly for the CTPA.*

**Beef.** In 2007, the United States exported \$386,000 of beef and beef products to Colombia. New England ranchers and its beef industry provide \$80 million in cash receipts, making beef among the top 10 sources of cash receipts in most New England states.

- 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 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.*

**Maple Products.** Producers of maple syrup and other maple products stretch across Vermont and earn about \$11 million in cash receipts. Maple producers will benefit from the CTPA.

- Colombia currently charges 5-percent duties on maple products; under WTO rules, Colombia could raise the duties to 100 percent.
- Colombia will eliminate duties on maple syrup and maple sugar within 5 years.

**Tobacco.** In 2007, the United States exported \$654,000 of tobacco to Colombia. Tobacco producers in Connecticut and Massachusetts generate more than \$15 million in cash receipts and will benefit from CTPA.

- Colombia will immediately eliminate duties on all tobacco and tobacco products; duties range from 10–20 percent and the WTO allows a 70-percent ceiling.
- For tobacco and tobacco products currently receiving duty-free treatment under the ATPDEA, U.S. tariffs will continue to be duty free. Additionally, the United States will establish a 4,000-ton TRQ with zero duty on products included in the WTO TRQ, with the over-quota tariff eliminated over 15 years.