



United States  
Department of  
Agriculture

Foreign  
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Service

# FACT SHEET

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

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Oklahoma'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 Oklahoma's farm prices and income. Such exports support about 8,900 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$754 million and made an important contribution to Oklahoma's farm cash receipts in 2006 that totaled \$5.1 billion.

**Beef.** In 2007, the United States exported \$386,000 of beef and beef products to Colombia. Oklahoma's ranchers and beef industry generate over one-half of the state's farm cash receipts with \$2.8 billion, and will benefit from the CTPA.

- Colombia will immediately eliminate its 80-percent duty (108 percent allowed by the World Trade Organization (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.*

**Wheat and Barley.** In 2007, the United States exported \$210 million of wheat and barley to Colombia. Wheat is Oklahoma's leading agricultural export at \$334 million.

- U.S. wheat and barely producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 248 percent. Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will immediately eliminate all tariffs on wheat and wheat products, which currently face duties ranging from 5–20 percent.
- Colombia will immediately eliminate all tariffs on barley and barley products, except feed barley. Tariffs on feed barley will be eliminated in 2009.
- *The National Association of Wheat Growers, the National Grain and Feed Association, the North American Export Grain Association, the North American Millers' Association, the National Barley Growers Association, U.S. Wheat Associates, and the American Bakers Association publicly support the CTPA.*

**Pork.** In 2007, the United States exported \$6.6 million of pork and pork products to Colombia. Hog production is Oklahoma's second largest source of farm cash receipts (\$566 million), and Oklahoma pork producers will benefit from the CTPA.

- U.S. pork producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 108 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Within 5 years, Colombia will phase out all duties, which are currently as high as 30 percent, on fresh, chilled and frozen pork as well as smoked and dried pork.
- Colombia will immediately eliminate duties on bacon and pork skin.
- All other pork tariffs will be eliminated within 5–10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- *The National Pork Producers Council; American Meat Institute; U.S. Hide, Skin and Leather Association; and the Pet Food Institute publicly support the CTPA.*

**Poultry.** Poultry meat exports to Colombia surpassed \$11.6 million in 2007. Oklahoma broilers provide the state's third largest source of farm cash receipts at \$498 million.

- U.S. poultry producers currently face a system of variable levies (price band system) that result in tariffs as high as the WTO ceiling of 209 percent. Upon implementation of the CTPA, Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will provide immediate duty-free access on chicken leg quarters, which currently faces a 20-percent duty (209 percent allowed by the WTO), through a 27,040-ton TRQ that expands by 4 percent, compounded annually. Colombia will

phase out the 164.4-percent over-quota tariff for fresh, chilled and frozen leg quarters and 70-percent over-quota tariff for processed leg quarters over 18 years with no reductions during the first 6 years of the agreement.

- Colombia will also provide a 412-ton TRQ that expands 3 percent, compounded annually, for “spent fowl.” Colombia will phase out the 45-percent over-quota tariff for “spent fowl” over 18 years.
- Colombia will immediately phase out duties on poultry products such as wings and breast meat.
- Tariffs on turkey products will be phased out over 5 years.
- Colombia will immediately eliminate duties on live chicks and hatching eggs and will phase out duties on eggs for consumption over 10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- *The National Chicken Council, USA Poultry and Egg Export Council, National Turkey Federation, United Egg Association, United Egg Producers, 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. With \$178 million in cash receipts, Oklahoma dairy producers 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 U.S. imports.
- Colombia will immediately eliminate tariffs on whey.
- Both Colombia and the United States will establish duty-free 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.*

**Cotton. In 2007, the United States exported \$59 million of cotton to Colombia.**

Cotton export figures to Colombia are their highest since at least 1970 (in excess of \$70 million), and growing. As the state’s fifth largest agricultural export with \$73 million in state farm cash receipts, Oklahoma cotton farmers will benefit from the CTPA.

- Under the CTPA, Colombia will immediately eliminate the 10-percent tariff (99 percent allowed by the WTO) facing U.S. exporters.
- The CTPA provides for reciprocal elimination of all cotton duties.
- *The National Cotton Council and the American Cotton Shippers Association publicly support the CTPA.*

**Peanuts and Peanut Products.** In 2007, the United States exported \$93,000 of peanuts and peanut products to Colombia. Oklahoma peanut producers about \$12 million in farm cash receipts.

- Colombia will immediately eliminate its 5–20-percent tariffs (155 percent allowed by the WTO) on peanuts, peanut oil and peanut butter.
- The United States will phase out its duties on peanuts and peanut butter over a 15-year period. Under the ATPDEA, U.S. tariffs on Colombian peanut oil imports are currently zero. The CTPA continues this zero-duty treatment.