



FACT SHEET

U.S.-Panama Trade Promotion Agreement Hawaii Farmers Will Benefit

September 2008

The U.S.-Panama Trade Promotion Agreement eliminates tariffs and other barriers on most U.S. goods, increasing export opportunities for agricultural products important to Hawaii. With immediate elimination of duties on over 60 percent of current U.S. trade, this agreement changes the one-way street of duty-free access currently enjoyed by most Panamanian exports into a two-way street benefiting both countries. The American Farm Bureau strongly supports the agreement, predicting widespread gains for U.S. agriculture exceeding \$190 million per year.

Hawaii's exports to all countries, estimated at \$88 million in 2007, supported about 1,100 jobs, on and off the farm. These export sales make an important contribution to Hawaii's farm economy which had total cash receipts of \$555 million in 2006.

Fruits. Hawaii is the ninth largest exporter of fresh and processed fruits in the nation. Pineapples are a \$76-million industry, but guava and other tropical fruit are also important. The Panama agreement can benefit Hawaiian fruit growers.

- Panama will eliminate its tariffs on nearly all fresh and processed fruits immediately, including its 15-percent tariff on fresh pineapples and guavas.
- Panama will phase out its 15-percent tariffs on processed pineapple and pineapple juice in 10 years.

Tree Nuts. Hawaii is the nation's eighth largest exporter of tree nuts due to the success of its macadamia nut industry. Hawaiian tree nut producers will benefit from this agreement.

- Panama will eliminate its tariffs on all shelled and roasted nuts immediately. The current tariff on macadamia nuts is 10 percent, and the tariff for all roasted nuts is 15 percent.

Coffee. Cash receipts from coffee production totaled \$30 million in 2006, or 5 percent of the state's agricultural receipts. Hawaiian coffee growers will benefit from the Panama agreement.

- Panama will phase out its 54-percent tariff on U.S. roasted coffee in 8 years.