



United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

# FACT SHEET

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## *U.S.-Panama Trade Promotion Agreement* Wyoming Farmers Will Benefit

September 2008

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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 Wyoming. 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.

Wyoming's exports to all countries, estimated at \$61 million in 2007, supported about 630 jobs, on and off the farm. These export sales make an important contribution to the Wyoming farm economy which had total cash receipts of \$1 billion in 2006.

**Beef.** The cattle and calf industry accounts for three-fourths of Wyoming farm cash receipts with sales of \$763 million in 2006. This industry will benefit from this agreement.

- Panama will immediately eliminate its 30-percent duty on beef products of most importance to the U.S. beef industry--prime and choice cuts. Panama's tariffs on other cuts of beef will be phased out over 15 years.
- The 10-percent tariff on beef tongues and livers will be eliminated in 5 years, and the 15-percent tariffs on other edible offal will be eliminated immediately.
- Panama has already implemented our December 2006 bilateral agreement on sanitary and phytosanitary (SPS) measures, reopening its market to U.S. beef by bringing its import requirements related to BSE into compliance with international standards.
- Panama also accepted the equivalence of the U.S. meat inspection system, which allows U.S. inspectors to certify beef for export to Panama without having each facility and shipment inspected by Panamanian authorities.

**Pork.** Wyoming hog farmers are the fifth largest earner of farm cash receipts with sales of \$28 million in 2006. The hog industry can benefit from this agreement.

- Panama will provide immediate duty-free access within preferential tariff-rate quotas (TRQs) for 2,554 tons of U.S. pork products, including 1,600 tons of fresh and frozen pork cuts, 636 tons of pork fat and bacon, and 318 tons of processed pork. Most of these products currently face tariffs of 70 percent. The TRQ quantities will expand and the over-quota tariffs will be eliminated in 15 years.
- Panama will also eliminate its 10-percent tariff on pork variety meats immediately on entry into force of the Agreement.
- In addition, Panama has already implemented our December 2006 bilateral agreement on SPS measures by recognizing the equivalence of the U.S. meat inspection system, allowing U.S. inspectors to certify pork for export to Panama without having each facility and shipment inspected by Panamanian authorities.
- The National Pork Producers Council supports the Agreement, saying "This agreement will contribute greatly to the bottom line of U.S. pork producers by opening up new market access to more than 3 million additional consumers in the Western Hemisphere."

**Vegetables.** The state's fresh and processed vegetable exports were estimated at \$4.1 million in 2007. Wyoming's growers of dried beans and other vegetables can benefit from this agreement.

- Panama will eliminate its tariffs on nearly all frozen and processed vegetables immediately. The tariff faced by U.S. exporters for these products currently is 15 percent.
- The tariffs for most fresh vegetables will be eliminated in 10-15 years.
- Panama will eliminate its 15-percent tariffs on lentils and most dried beans immediately. For Kidney beans, Panama will provide immediate duty-free access within a preferential TRQ that starts at 795 tons and grows each year by 6 percent. The 15-percent over-quota tariff will be phased out in 12 years.