



United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

# FACT SHEET

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

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for California'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 California's farm prices and income. Such exports support about 120,425 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$11.3 billion and made an important contribution to California's farm cash receipts in 2007 that totaled \$36.5 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. California is the nation's second leading dairy producer and exporter, with \$7.3 billion in 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 imports from the United States.
- Colombia will immediately eliminate tariffs on whey.
- 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 Product Association, and International Dairy Foods Association publicly support the CTPA.*

**Fruits.** In 2007, the United States exported \$15.2 million of fruits and tree nuts to Colombia. Exports of fresh fruit to Colombia surpassed \$11.4 million in 2006, nearly 250 percent that of 2002. As the nation's leading exporter of fruits and preparations, California's fruit producers benefit from the CTPA.

- Current duties on fruit and preparations are 15–20 percent in Colombia, and under WTO rules, could rise to 140 percent.
- California's grape producers provide the state's third largest source of cash farm receipts with \$3.2 billion. California's stone fruit producers provide more than \$456 million in cash receipts.
- Under the CTPA, Colombia will immediately eliminate these tariffs.
- *The Grocery Manufacturers Association/Food Products Association publicly supports the CTPA.*

**Tree Nuts.** California's almond, pistachio and walnut producers will benefit from the CTPA.

- Current duties on tree nuts are 20 percent in Colombia, and under WTO rules, could rise to 140 percent.
- Colombia will immediately eliminate tariffs on tree nuts.
- *Blue Diamond Growers publicly supports the CTPA.*

**Vegetables.** In 2007, the United States exported \$1.6 million of fresh and processed vegetables and products to Colombia. As the nation's leader in exports and value of sales, California's vegetable growers and processors can look to increase market share in Colombia with CTPA.

- Current duties on vegetables and preparations are 5–20 percent in Colombia, and under WTO rules, could rise to 102 percent.
- With more than \$1.4 billion in state farm cash receipts, California lettuce producers will benefit from CTPA, as will tomato producers and broccoli producers with more than \$1 billion and \$625 million in farm cash receipts, respectively.
- Colombia will immediately eliminate tariffs on these products.
- *The American Frozen Food Institute and Grocery Manufacturers Association/Food Product Association publicly support the CTPA.*

**Rice.** In 2007, the United States exported \$1.1 million of rice to Colombia. As the nation's second largest rice exporter, California's rice producers will benefit from the CTPA.

- U.S. rice exporters currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 189 percent. Other rice products face applied tariff rates, ranging from 5–80 percent. Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will establish a 79,000-ton, zero-duty rice TRQ that will grow 4.5 percent, compounded annually. All rice types will be eligible for the TRQ with the quantity on a milled-equivalent basis. The over-quota tariff will be phased out over 19 years with no reduction during the first 6 years of the agreement. Tariffs on rice flour, bran, sharps and other milled rice residues will be phased out over 5 years.
- *The USA Rice Federation publicly supports 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. California is the nation's fifth largest cotton producer.

- 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.*

**Beef.** In 2007, the United States exported \$386,000 of beef and beef products to Colombia. With cash receipts of nearly \$1.7 billion in 2007, California'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 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.*

**Wines.** In 2007, the United States exported \$2.4 million of beer and wine to Colombia. As the nation's leading wine exporters, California producers will benefit from the CTPA.

- Current duties on wine are 15 and 20 percent in Colombia, and under WTO rules, could rise to 70 percent.
- California wine producers will benefit from the immediate duty elimination on wine.
- *Wine America publicly supports the CTPA.*