



United States
Department of
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Foreign
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Service

FACT SHEET

U.S.-Colombia Trade Promotion Agreement Delaware Farmers Will Benefit

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Delaware'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 Delaware's farm prices and income. Such exports support about 1,700 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$160 million and made an important contribution to Delaware's farm cash receipts in 2007 that totaled \$1 billion.

Poultry. In 2007, the United States exported \$11.6 million of poultry and poultry products to Colombia. Poultry meat exports to Colombia surpassed \$10.3 million in 2006. As broilers are Delaware's leading agricultural export product and largest provider of cash receipts at \$734 million, Delaware poultry producers and processors will benefit from the CTPA.

- U.S. poultry 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 209 percent. Upon implementation of the CTPA, Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will provide immediate duty-free access on chicken leg quarters, which currently face a 20-percent duty (209 percent allowed by the WTO), through a 27,040-ton tariff-rate quota (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.*

Corn. In 2007, the United States exported \$500 million of yellow corn and \$16 million of white corn to Colombia. Delaware corn is the state's second largest source of cash receipts at \$53 million.

- Under the CTPA, Colombia will immediately eliminate its system of variable levies (price band system) facing U.S. exporters. Under the system, tariffs can be as high as the WTO ceiling of 195 percent on some corn products.
- Colombia will provide immediate duty-free access for yellow corn by establishing a 2.1 million-ton TRQ that grows 5 percent, compounded annually. Colombia will phase out the over-quota tariff over 12 years.
- Colombia will provide immediate duty-free access for white corn by establishing a 136,500-ton TRQ that grows 5 percent, compounded annually. Colombia will phase out the over-quota tariff over 12 years.
- Colombia will provide immediate duty-free access for animal feeds by establishing a 194,250-ton TRQ that grows 5 percent, compounded annually. Colombia will phase out the over-quota tariff over 12 years.
- All currently applied duties on all other corn products will be phased out within 10 years.
- *The Corn Refiners Association, the National Corn Growers Association, the National Grain and Feed Association, the North American Export Grain Association, the North American Millers' Association, the American Feed Industry Association, and the Pet Food Institute publicly support the CTPA.*

Soybeans and Products. In 2007, the United States exported \$175 million of soybeans and soybean products to Colombia. As the state's third leading source of farm cash receipts in 2007 with \$31 million, Delaware's soybean producers will benefit from the CTPA.

- U.S. soybean producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 150 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will immediately eliminate duties, currently ranging from 5–20-percent on soybeans, soybean meal and soybean flour.
- Colombia will eliminate duties within 5 years on crude soybean oil (currently 20 percent; 75 percent allowed by the WTO).

- Colombia will provide duty-free access for crude soybean oil by establishing a 31,200-ton duty-free TRQ that will grow 4 percent, compounded annually. Colombia will phase out the 24-percent over-quota tariff over 10 years.
- *The American Soybean Association, National Oilseed Processors Association, American Feed Industry Association, 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. Delaware dairy producers contribute \$22 million toward 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 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.*