



United States
Department of
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Foreign
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Service

FACT SHEET

U.S.-Colombia Trade Promotion Agreement North Carolina Farmers Will Benefit

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for North Carolina'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 North Carolina's farm prices and income. Such exports support about 22,380 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$2.1 billion and made an important contribution to North Carolina's farm cash receipts in 2007 that totaled \$8.7 billion.

Pork. In 2007, the United States exported \$6.6 million of pork and pork products to Colombia. North Carolina pork producers generate \$1.9 billion in state farm cash receipts and 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 World Trade Organization (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 North Carolina is the nation's third largest agricultural exporter of poultry at (\$365 million) and supplies the largest source in poultry cash receipts (\$2.4 billion).

- 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 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.*

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 (\$172 million) and ninth largest in state cash receipts, North Carolina cotton producers 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.*

Soybeans and Products. In 2007, the United States exported \$175 million of soybeans and soybean products to Colombia. With more than 1.3 million acres planted, North Carolina 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, the National Oilseed Processors Association, the American Feed Industry Association, and the Pet Food Institute publicly support the CTPA.*

Tobacco. In 2007, the United States exported \$654,000 of tobacco to Colombia. North Carolina is the nation's leading exporter of tobacco at \$410 million.

- Colombia will immediately eliminate duties on all tobacco and tobacco products; duties range from 10–20 percent and the WTO allows a 70-percent ceiling.
- For tobacco and tobacco products currently receiving duty-free treatment under the Andean Trade Promotion and Drug Eradication Act, U.S. tariffs will continue to be duty free. Additionally, the United States will establish a 4,000-ton TRQ with zero duty on products included in the WTO TRQ, with the over-quota tariff eliminated over 15 years.