



United States
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Foreign
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Service

FACT SHEET

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

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Wyoming'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 Wyoming's farm prices and income. Such exports support jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$61 million and made an important contribution to Wyoming's farm cash receipts in 2007 that totaled \$1 billion.

Beef. In 2007, the United States exported \$386,000 of beef and beef products to Colombia. Wyoming's ranchers and beef industry provide the state's top source of farm cash receipts with more than \$744 million.

- Colombia will immediately eliminate its 80-percent duty (108 percent allowed by the World Trade Organization (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 tariff rate quota (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.*

Wheat and Barley. In 2007, the United States exported \$210 million of wheat and barley to Colombia. With exports of \$10 million, Wyoming's wheat and barley producers will benefit from the CTPA.

- U.S. wheat and barely producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 248 percent. Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will immediately eliminate all tariffs on wheat and wheat products, which currently face duties ranging from 5–20 percent.
- Colombia will immediately eliminate all tariffs on barley and barley products, except feed barley. Tariffs on feed barley will be eliminated in 2009.
- *The National Association of Wheat Growers, the National Grain and Feed Association, the North American Export Grain Association, the North American Millers' Association, the National Barley Growers Association, U.S. Wheat Associates, and the American Bakers Association publicly support the CTPA.*

Pork. In 2007, the United States exported \$6.6 million of pork and pork products to Colombia. Wyoming pork producers generate the third largest source of state farm cash receipts, and will benefit from the CTPA's early tariff phase-out on pork and pork products.

- U.S. pork producers currently face a system of variable levies (price band system) that results in tariffs as high as the 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.*

Dried Peas, Beans and Lentils. In 2007, the United States exported \$3.5 million of dry peas, beans, and lentils to Colombia. With more than \$14 million in cash receipts, Wyoming dried bean producers will benefit from the CTPA.

- Colombia will immediately eliminate tariffs on peas and lentils. Tariffs currently range from 5–60 percent and could be raised to 178 percent under WTO rules.
- Colombia will provide immediate duty-free access for dried beans under a 15,750-ton TRQ that will grow 5 percent, compounded annually. The 60-percent over-quota tariff will be phased out over 10 years.

- Under the ATPDEA, U.S. tariffs on imports from Colombia currently are zero. The CTPA will continue this zero-duty treatment.
- *The USA Dry Pea and Lentil Council publicly supports the CTPA.*

Sugar. In 2007, the United States exported \$9.4 million of sugar and sweeteners to Colombia. There will be no reductions in the U.S. over-quota duty that currently provides the equivalent of a 100-percent tariff protection for domestic producers including the 4 percent of Wyoming farms engaged in sugar production.

- U.S. sugar producers currently face a system of variable levies (price band system) in Colombia that results in tariffs as high as the WTO ceiling of 130 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will provide immediate duty-free access for glucose, which currently faces a 20-percent duty (28 percent allowed by the WTO), through a 10,500-ton TRQ that expands 5 percent annually. Colombia will phase out the 28-percent over-quota tariff over 10 years.
- Colombia will eliminate duties within 15 years for all other sugar and sweeteners. In a few cases, duties will be eliminated sooner (such as high fructose corn syrup in 9 years).
- The United States will establish a 50,000-ton TRQ for Colombia for sugar products covered by the WTO TRQ. This amount grows by 1.5 percent a year into perpetuity.
- Provisions will ensure that Colombia will only ship when it is a net surplus exporter, and provisions have been agreed to allow alternative forms of compensation to be established to facilitate sugar stock management by the United States.
- *The Sweetener Users Association and Grocery Manufacturers Association/Food Products Association publicly support the CTPA.*