

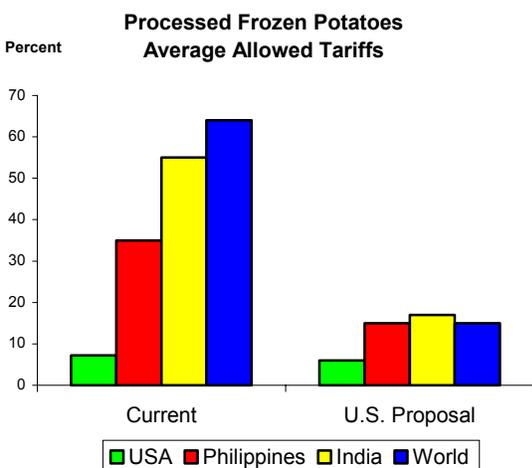
## What's at Stake for Processed Frozen Potatoes?

The July 2002 U.S. agriculture proposal for the World Trade Organization Doha Development Agenda calls for ambitious reforms to open global markets for American agriculture. The U.S. initiative would correct many of the disparities U.S. processed frozen potatoes currently face in global markets, particularly in the areas of market access and domestic support.

### Market Access

High Tariffs: The average allowed WTO tariff on processed potatoes is 64%.

Reduce and Harmonize Tariffs: The United States is calling for a formula that would reduce high tariffs more than low tariffs with no tariff line greater than 25%, creating more equitable treatment for U.S. processed frozen potatoes.



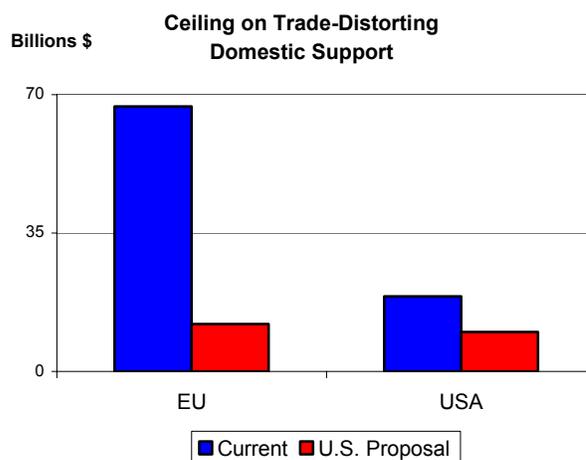
### Export Competition

Elimination of Export Subsidies: The U.S. proposal would eliminate export subsidies over a five-year implementation period.

### Domestic Support

Trade-Distorting Domestic Support: In marketing year 1998/99, Canada provided \$9 million of “amber box” support to potato producers, Norway provided \$10.5 million, and Switzerland provided \$9.8 million.

Reduce and Harmonize Domestic Support: Under the U.S. proposal, the amount of trade-distorting domestic support available to any country would be capped at 5% of the total value of production. For example, the amount available to the European Union (EU) across all products would drop from more than \$67 billion a year to around \$12 billion. The “blue box” exemption, which accounted for \$22 billion of support in the EU during marketing year 1998/99, would be eliminated. The U.S. maximum allowed trade-distorting support would fall from \$19 billion to around \$10 billion.



**Top U.S. Export Markets, 2001**

1. Japan	\$171 million
2. Mexico	\$31 million
3. Korea	\$25 million
4. China	\$23 million
5. Hong Kong	\$19 million

Total U.S. Processed  
Frozen Potato Exports      \$363 million

**Top U.S. Import Sources, 2001**

1. Canada	\$382 million
2. Netherlands	\$895,000
3. Colombia	\$59,000
4. Japan	\$42,000
5. Denmark	\$31,000

Total U.S. Processed  
Frozen Potato Imports      \$383 million