



United States
Department of
Agriculture

Foreign
Agricultural
Service

FACT SHEET

U.S.-Panama Trade Promotion Agreement

September 2008

The United States concluded free trade negotiations with Panama on December 19, 2006. This comprehensive trade agreement will eliminate tariffs and other barriers to goods and services, promote economic growth, and enhance trade between the United States and Panama.

- Panama is already an important market for America's farmers and ranchers. In 2007, the United States exported a record \$304 million of agricultural products to Panama. Our top exports to the market were coarse grains, soybean meal, wheat, processed fruits and vegetables, and snack foods.
- With the Agreement in place, agricultural trade between the United States and Panama will change from a one-way street to a two-way street.
 - Currently, less than 40 percent of U.S. agricultural exports enjoy duty-free access to the Panamanian market; while under the Caribbean Basin Initiative, over 99 percent of Panama's agricultural exports enter the U.S. market duty free.
- Many agricultural commodities will benefit from the agreement as more than half of current U.S. farm exports to Panama will become duty-free immediately and the most of the remaining tariffs will be eliminated within 15 years.
 - Upon implementation of the agreement, U.S. agricultural exports will receive duty-free treatment on nearly 63 percent of current trade and will see all tariffs phased out for the remaining products. Panama's preferential treatment will be made permanent.
 - Panama will immediately eliminate duties on high quality beef, frozen turkeys, sorghum, soybeans, soybean meal, crude soybean and corn oil, almost all fruit products, wheat, peanuts, whey, cotton and many processed products.
 - The agreement also provides duty-free tariff rate quotas on standard beef cuts, chicken leg quarters, pork, corn, rice, and dairy products.
- On the regulatory side, Panama has put in place OIE-consistent import measures on meat and poultry and addressed other SPS and technical standards issues. Panama has agreed to recognize the equivalence of the U.S. meat and poultry inspection systems.
- In addition, the Agreement commits the United States to prioritizing Panama for trade capacity building programs to assist Panama in fully benefiting from this new partnership.
- The American Farm Bureau Federation predicts that this agreement, once fully implemented, could provide \$195 million in gains each year for American agriculture. In addition, the free trade agreement with Panama is supported by over 40 U.S. agricultural and food associations.

For questions about the U.S.-Panama Trade Promotion Agreement and its impact on U.S. agriculture, please contact FAS Legislative and Public Affairs Office at (202)720-7115 or LPA@fas.usda.gov.