



# FACT SHEET

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## *U.S.-Peru Trade Promotion Agreement*

February 2008

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The U.S.-Peru Trade Promotion Agreement was signed on April 12, 2006, in Washington, D.C. This comprehensive trade agreement will eliminate tariffs and other barriers to goods and services, promote economic growth, and expand trade between the two countries.

- Peru is already an important market for America's farmers and ranchers. In 2007, the United States exported a record \$437 million of agricultural products to Peru. Our top exports to the market were cotton, coarse grains, wheat, and consumer-oriented food products.
- With the Agreement in place, agricultural trade between the United States and Peru will change from a one-way street to a two-way street.
  - Currently, less than 2 percent of U.S. agricultural exports enjoy duty-free access to the Peruvian market; while under the Andean Trade Preference Act, over 99 percent of Peru's agricultural exports enter the U.S. market duty free.
- Many agricultural commodities will benefit from the agreement as more than two-thirds of current U.S. farm exports to Peru will become duty-free immediately and 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 90 percent of current trade and will see all tariffs phased out for the remaining products. Peru's preferential treatment will be made permanent.
  - Peru will immediately eliminate duties on soybeans, soybean meal, crude soybean oil, high quality beef, almost all fruit and vegetable products, wheat, sorghum, peanuts, whey, cotton, and the vast majority of processed products.
  - The agreement also provides duty-free tariff rate quotas (or TRQs) on standard beef cuts, chicken leg quarters, yellow corn, rice, and dairy products.
- On the regulatory side, Peru has put in place OIE-consistent import measures on meat and poultry and addressed other SPS and technical standards issues. Peru 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 Peru for trade capacity building programs to assist Peru in fully benefiting from this new partnership.
- The American Farm Bureau Federation predicts that this agreement, once fully implemented, could provide \$705 million in gains each year for American agriculture. In addition, the free trade agreement with Peru is supported by over 60 U.S. agricultural and food associations.

*For questions about the U.S.-Peru 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](mailto:LPA@fas.usda.gov).*