

March 19, 2004

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Zoellick:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit the report of the Agricultural Policy Advisory Committee on the U.S.-Central America Free Trade Agreement (CAFTA) reflecting the majority and additional advisory opinions on the proposed Agreement.

Sincerely,

Charles J. O'Mara
Chairman
Agricultural Policy Advisory Committee

THE U.S.-CENTRAL AMERICA FREE TRADE AGREEMENT

**Report of the
Agricultural Policy Advisory Committee**

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Agricultural Policy Advisory Committee (APAC)

Agricultural Policy Advisory Committee Report to the President, the Congress, and the United States Trade Representative on the U.S.-Central America Free Trade Agreement.

I. Purpose of the Committee Report

Section 2104(e) of the Trade Act of 2002 requires that advisory committees provide the President, Congress, and the U.S. Trade Representative with reports required under Section 135(e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135(e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principal negotiating objectives set forth in the Trade Act of 2002.

The report of the appropriate sectoral or functional committee must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, the APAC hereby submits the following report.

II. Executive Summary of Committee Report

It is the opinion of the APAC that the U.S.-Central America FTA will improve opportunities for U.S. agricultural exports. The comprehensive Agreement calls for eventual duty-free, quota-free access on essentially all products and addresses other trade measures among the parties. The Agreement also includes import safeguard measures for specific products, which some APAC members believe are insufficient to keep their industries from being harmed by imports. The majority of the APAC members believe that this regional agreement achieves U.S. negotiating objectives of eliminating tariffs and securing market opportunities for U.S. agricultural products. However, the World Trade Organization Doha Round multilateral negotiation on agriculture is the highest priority for the APAC.

III. Brief Description of the Mandate of the APAC

The advisory committee is authorized by Sections 135(c)(1) and (2) of the Trade Act of 1974 (Pub. L. No. 93-618), as amended, and is intended to assure that representative

elements of the private sector have an opportunity to make known their views to the U.S. Government on trade and trade policy matters. They provide a formal mechanism through which the U.S. Government may seek advice and information. The continuance of the committee is in the public interest in connection with the work of the U.S. Department of Agriculture (USDA) and the Office of the U.S. Trade Representative. There are no other agencies or existing advisory committees, which could supply this private sector input.

IV. Negotiating Objectives and Priorities of the APAC

The highest priority of the APAC is to improve the market opportunities for U.S. agricultural products by obtaining fairer and more open conditions of trade. The ultimate objective is the elimination of agricultural trade barriers through negotiations at the multilateral, regional, and bilateral levels.

V. Advisory Committee Opinion on Agreement

It is the opinion of the APAC that the U.S.-Central America FTA will improve opportunities for U.S. agricultural exports. The comprehensive Agreement calls for eventual duty-free, quota-free access on essentially all products and addresses other trade measures among the parties. The Agreement also includes import safeguard measures for specific products, which some APAC members believe are insufficient to keep their industries from being harmed by imports. The majority of the APAC members believe that this regional agreement achieves U.S. negotiating objectives of eliminating tariffs and securing market opportunities for U.S. agricultural products. However, the World Trade Organization Doha Round multilateral negotiation on agriculture is the highest priority for the APAC.

VI. Membership of Committee

Name	Organization	City/State
Mr. C. Joe O'Mara (Chairman)	O'Mara and Associates	Washington, D.C.
Mr. Charles Ahlem	Charles Ahlem Ranch	Hilmar, CA
Mr. Gaylon Booker	National Cotton Council	Memphis, TN
Mr. J. Patrick Boyle	American Meat Institute	Arlington, VA
Mr. Carl Brothers	Riceland Foods, Inc.	Stuttgart, AR
Mr. James Camerlo	Dairy Farmers of America	Florence, CO
Ms. Karen Caplan	United Fresh Fruit and Vegetable Association	Los Alamitos, CA
Mr. Stephen Censky	American Soybean Association	St. Louis, MO
Mr. Richard Crowder	American Seed Trade Association	Alexandria, VA
Mr. Paul Drazek	DTB Associates, LLP	Washington, D.C.

Name	Organization	City/State
Dr. Michael Dykes	Monsanto Company	Washington, D.C.
Ms. Audrae Erickson	Corn Refiners Association, Inc.	Washington, D.C.
Dr. Dick Gady	ConAgra Foods, Inc.	Omaha, NE
Mr. Nicholas Giordano	National Pork Producers Council	Washington, D.C.
Dr. David Graves	McLeod, Watkinson & Miller	Washington, D.C.
Mr. Thomas Hammer	National Oilseed Processors Association	Washington, D.C.
Mr. L. Jack Hunt	King Ranch, Inc.	Houston, TX
Mr. Kenneth Johannes	Hill's Pet Nutrition, Inc.	Topeka, KS
Mr. John Keeling	National Potato Council	Washington, D.C.
Mr. Robert Koch	Wine Institute	Washington, D.C.
Mr. Luther Markwart	American Sugarbeet Growers Association	Washington, D.C.
Mr. Gary Martin	North American Export Grain Association, Inc.	Washington, D.C.
Mr. C. Manly Molpus	Grocery Manufacturers of America	Washington, D.C.
Mr. Thomas Nassif	Western Growers Association	Irvine, CA
Ms. Karen Ross	California Association of Winegrape Growers	Sacramento, CA
Mr. Christian Schlect	Northwest Horticultural Council	Yakima, WA
Mr. Bob Stallman	American Farm Bureau Federation	Washington, D.C.
Mr. Michael Stuart	Florida Fruit & Vegetable Association	Orlando, FL
Mr. James Sumner	USA Poultry & Egg Export Council	Stone Mountain, GA
Ms. Constance Tipton	International Dairy Foods Association	Washington, D.C.
Mr. Alan Tracy	U.S. Wheat Associates	Washington, D.C.
Ms. Carol Tucker Foreman	Consumer Federation of America	Washington, D.C.
Ms. Elizabeth Ward	USA Rice Federation	Washington, D.C.
Mr. Rodger Wasson	California Strawberry Commission	Watsonville, CA