

The U.S.-Morocco Free Trade Agreement

Report of the Agricultural Technical Advisory Committee on Trade In Fruits and Vegetables

April 6, 2004

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Agricultural Technical Advisory Committee on Trade in Fruits and Vegetables (F&V ATAC)

**Agricultural Technical Advisory Committee on Trade in Fruits and Vegetables
Report to the President, the Congress, and the U.S. Trade Representative on the
U.S.-Morocco Free Trade Agreement.**

I. Purpose of the Committee Report

Section 2104(e) of the Trade Act of 2002 (Public Law 107-210) requires that advisory committees provide the President, the 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 a trade agreement.

Under Section 135(e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations (ACTPN) 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 U.S. and achieves the applicable overall and principle 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 ATAC on Trade in Fruits and Vegetables submits the following report.

II. Executive Summary of Committee Report

It is the opinion of the F&V ATAC that the negotiated agreement provides for equity and reciprocity within the sectoral area.

While the agreement appears equitable on paper, in reality it is more likely to become a one way agreement that provides Moroccan producers improved access to the U.S. consumer while resulting in little export opportunity for U.S. exporters of high value specialty crops. The Committee is concerned that this might be the case given the limited population size in Morocco, the low income of the average Moroccan consumer, and the proximity of Morocco to European Union specialty crop producers.

The Committee urges the Office of the U.S. Trade Representative to now focus its trade liberalization efforts on India, South Korea, Taiwan, Japan and the EU. Removing high tariff rate barriers and eliminating trade distorting domestic support policies in these countries will provide the specialty crop industry significant trade benefits and remove some of the trade barriers that most affect this sector.

III. Brief Description of the Mandate of the ATAC on Trade in Fruits and Vegetables

The ATAC on Trade in Fruits and Vegetables is chartered to advise, consult with, and make recommendations to the Secretary of Agriculture and the United States Trade Representative on matters that are of mutual concern to the United States and to its consumers, producers, processors, and traders of specialty crops in connection with the trade policy activities undertaken by the United States. The Committee provides advice and information regarding trade issues that affect both domestic and foreign production and trade of specialty crops. The Committee furnishes advisory opinions and reports and performs the functions that are appropriate or required by the Secretary and the Trade Representative or their designees.

IV. Negotiating Objectives and Priorities of the Committee

The Committee agrees with the principle negotiating objective for agriculture set down by Congress in the Trade Act of 2002. Specifically, “to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk, specialty crop, and value-added commodities...”

V. Advisory Committee Opinion on Agreement

General:

It is the opinion of the F&V ATAC that the negotiated agreement provides for equity and reciprocity within the sectoral area. The U.S.-Morocco agreement is superior to the European Union–Morocco FTA when viewed from the perspective of many HTS Chapter 7 & 8 specialty crop producers.

As a sector, the Committee is sensitive to the Administration’s FTA priorities. It is also mindful of a recent General Accounting Office report that acknowledges trade priorities are established in conjunction with foreign policy needs. The U.S.-Morocco FTA is an example of this policy in action.

In general, the slate of concluded and proposed FTAs provides limited export opportunity for Chapter 7, 8 & 20 products. Removing high tariff rate barriers in countries such as India, South Korea, Taiwan and Japan plus eliminating the trade-distorting domestic support and export subsidies that competitors receive in the European Union are the trade priorities that will provide the specialty crop industry with true trade equity and

reciprocity in the global marketplace in which it competes. These trade priorities are likely to be addressed only in the World Trade Organization. The Committee therefore wholeheartedly supports the Administration as it seeks to immediately resurrect the Doha Development Agenda.

Rules of Origin:

The processed citrus members have reviewed the specific preferential origin rules for Articles classified in HTS Chapter 20, and agree with the terms set forth in the Agreement for conferring origin status on citrus juices.

VI. Membership of Committee

Attached

**Agricultural Technical Advisory Committee on Trade
in Fruits and Vegetables**

Mark Powers	ATAC Chair, Northwest Horticultural Council
Reggie Brown	ATAC Vice-Chair, Florida Tomato Exchange
Dennis Balint	California Walnut Commission
Gary Ball	U.S. potato industry
John Baranek	The Herzog Company
Doug Bournique	Indian River Citrus League
Susan Brauner	Blue Diamond Growers
Lauri Buckley	A. Duda & Sons, Inc.
James Christie	Bryant Christie, Inc.
Gus Collin	Sunsweet Growers, Inc.
Alice Dettwyler	American Agri-Women
Chris Eckert	Eckert Orchards, Inc.
Wally Ewart	California Citrus Quality Council
Nancy Foster	U.S. Apple Association
Carolyn Gleason	McDermott, Will & Emery
Robert Guenther	United Fresh Fruit & Vegetable Association
Dan Haley	Haley & Associates
Julian Heron	Tuttle, Taylor & Heron
John Himmelberg	O'Connor & Hannan, L.L.P.
Richard Hudgins	California Canning Peach Association
Roger Knutzen	Knutzen Farms LP
Barry Kriebel	Sun-Maid Growers of California
Andy LaVigne	Florida Citrus Mutual
Joseph MacIlvaine	Paramount Farming Company
John McClung	Texas Produce Association
Kevin Moffitt	Pear Bureau Northwest
Joel Nelsen	California Citrus Mutual
James Pandol	Pandol Brothers, Inc.
Freddie Richards	Prairie View A&M University
Joe Rollo	Wine Institute
Robert Schramm	Schramm, Williams & Associates
Susan Spence	New York Wine & Grape Foundation
Mike Wootton	Sunkist Growers
Joe Zanger	Casa DeFruta