

April 6, 2004

The Honorable Robert B. Zoellick  
United States Trade Representative  
600 17<sup>th</sup> 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 Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products on the U.S.-Morocco Free Trade Agreement reflecting consensus on the proposed Agreement.

Sincerely,

James R. Hoben, Chair  
Agricultural Technical Advisory  
Committee for Trade in Animals and  
Animal Products

**The U.S.-Morocco Free Trade Agreement (FTA)**

**Report of the Agricultural Technical Advisory Committee (ATAC) for Trade  
in Animals and Animal Products**

**April 2004**

March 12, 2004

The Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products

**Advisory Committee Report to the President, the Congress and the United States 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 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e) 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 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 Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products hereby submits the following report.

**II. Executive Summary of Committee Report**

Please refer to Section V of the report below

**III. Brief Description of the Mandate of the Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products**

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. The committee provides 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. This advisory committee provides valuable private sector input.

#### **IV. Negotiating Objectives and Priorities of the Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products**

The Committee as it is currently constituted was not formed when negotiations began with Morocco. Therefore, the comments below, in Section V, reflect the priorities and objectives of the current membership of the Agricultural Technical Advisory Committee for Trade in Animals and Animal Products.

#### **V. Advisory Committee Opinion on Agreement**

The Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products provides the following comments on the U.S.-Morocco Free Trade Agreement (FTA).

##### **Beef**

The U.S. beef industry is very supportive of the beef, sanitary/veterinary and tariff-rate quota (TRQ) provisions within the United States - Morocco Free Trade Agreement (FTA). This agreement will allow, for the first time, market access for U.S. beef and beef variety meats to this market.

The FTA provides the U.S. industry access to the high-end hotel and restaurant trade in Morocco. U.S. exporters, through the U.S. Meat Export Federation, will begin to assist Moroccan importers and this targeted sector to understand the quality and food safety attributes of U.S. product. By targeting this high-end portion of the market, the U.S. beef industry will be supporting the efforts of the Moroccan Government to enhance and expand the tourism visits to Morocco. Therefore, the basis of the meat provisions within the FTA will benefit both Morocco as well as the United States.

In essence, the FTA provides for "high-quality" U.S. product and variety meats to enter the growing Moroccan tourism industry.

The U.S. beef industry is especially pleased by the ability of either party to review the operations of the import licensing regime. This provides a mechanism to ameliorate any non-tariff trade barrier that licensing structures have caused in other markets. This same principal holds with regard to the FTA language on TRQ administration and the establishment of the Sanitary/Phytosanitary Joint Committee.

##### **Poultry**

U.S. poultry companies fully support the free trade agreement concluded with Morocco on March 2, 2004. In recent years, U.S. poultry exports to Morocco have essentially been zero. The agreement permits an immediate opening for a number of poultry products while certain other products, such as chicken leg quarters have a 25-year, non-linear phase-out of the TRQ and whole carcass chicken and turkey and offals have a 19 year, non-linear phase-out of the TRQ. The very long timetable for the chicken leg quarter TRQ is a concern as is the permanent safeguard provision on leg quarters. However, it is understood that although the safeguard is not

phased-out for leg quarters, the impact of this provision restricting trade is likely to prove minimal. Nonetheless, it is of concern when provisions in free trade agreement do not lead to eventual trade that may not be “free.”

While exports of certain U.S. poultry products for Morocco, at least in the beginning stages of the FTA due to the standstill phase of the TRQs, will be relatively modest compared with certain other U.S. markets, Morocco can serve as a building block for improved trade in this region of the world and with other Muslim nations that continue to restrict U.S. poultry exports. U.S. poultry companies recognize that achievement of an FTA that included a satisfactory arrangement for poultry was difficult and that creative approaches and provisions were necessary.

Thus, on balance, it is a good agreement for poultry. U.S. poultry companies look forward to the benefits that will flow from the FTA with Morocco.

### Dairy

Committee members representing the U.S. dairy sector support the U.S.-Morocco FTA with the understanding that the rules of origin in this agreement are similar to those under the North American Free Trade Agreement, which provided the ideal model for rules of origin. It is important that proper transshipment guidelines are required for all milk and dairy ingredients for which access to the U.S. market is liberalized so that third parties do not profit from the FTA market access benefits.

## **VI. Membership of Committee**

<b>Name</b>	<b>Organization</b>	<b>City/State</b>
<b>Jaime Castaneda</b>	<b>National Milk Producers Federation</b>	<b>Arlington, VA</b>
<b>Tom Cook</b>	<b>National Renderers Association, Inc.</b>	<b>Alexandria, VA</b>
<b>Gregory Doud</b>	<b>National Cattleman's Beef Association</b>	<b>Washington, DC</b>
<b>Richard Ellinghuysen</b>	<b>Producers Livestock Marketing Association</b>	<b>Omaha, NE</b>
<b>Richard Fritz</b>	<b>U.S. Meat Export Federation</b>	<b>Denver, CO</b>
<b>John Hardin</b>	<b>John Hardin Farms</b>	<b>Danville, IN</b>
<b>Dana Hauck</b>	<b>Pike Trail Cattle Co., Inc.</b>	<b>Delphos, KS</b>
<b>James Hoben</b>	<b>Interra International, Inc.</b>	<b>Atlanta, GA</b>
<b>John Hogan</b>	<b>John Hogan, Attorney</b>	<b>Washington, DC</b>
<b>Gregory Ibach</b>	<b>Nebraska Department of Agriculture</b>	<b>Lincoln, NE</b>
<b>John Lincoln</b>	<b>Linholt Farm and New York Farm Bureau</b>	<b>Bloomfield, NY</b>
<b>Thomas May</b>	<b>Trugman-Nash, Inc.</b>	<b>New York, NY</b>
<b>Dennis McDonald</b>	<b>Open Spear Ranch</b>	<b>Melville, MT</b>
<b>David Meeker</b>	<b>Federation of Animal Science Societies</b>	<b>Arlington, VA</b>
<b>Daniel Meyer</b>	<b>American Dairy Products Institute</b>	<b>Elmhurst, IL</b>
<b>Toby Moore</b>	<b>USA Poultry and Egg Export Council</b>	<b>Stone Mountain, GA</b>
<b>Michael Mullins</b>	<b>Cargill, Inc.</b>	<b>Washington, DC</b>
<b>James Peterson</b>	<b>Jim Peterson Ranch</b>	<b>Buffalo, MT</b>
<b>John Reddington</b>	<b>American Meat Institute</b>	<b>Arlington, VA</b>
<b>William Roenigk</b>	<b>National Chicken Council</b>	<b>Washington, DC</b>
<b>Donald Schriver</b>	<b>Dairy Farmers of America</b>	<b>Kansas City, MO</b>
<b>Jane Shey</b>	<b>Shey &amp; Associates</b>	<b>Annapolis, MD</b>
<b>Ray Souza</b>	<b>Mel-Delin Dairy</b>	<b>Turlock, CA</b>
<b>Thomas Suber</b>	<b>U.S. Dairy Export Council</b>	<b>Arlington, VA</b>
<b>Jeffrey Swain</b>	<b>BC Natural Foods</b>	<b>Evergreen, CO</b>
<b>James Tillison</b>	<b>Alliance of Western Milk Producers</b>	<b>Sacramento, CA</b>
<b>Gene Wiese</b>	<b>Wiese &amp; Sons</b>	<b>Manning, IA</b>
<b>Caren Anne Wilcox</b>	<b>Caren Wilcox and Associates</b>	<b>Washington, DC</b>
<b>Dennis Wolff</b>	<b>Pen-Col Farms</b>	<b>Millville, PA</b>
<b>Robert Yonkers</b>	<b>National Cheese Institute</b>	<b>Washington, D.C.</b>

