

The United States-Panama Trade Promotion Agreement

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

April 2007

April 2007

Agricultural Technical Advisory Committee on Trade in Fruits and Vegetables

Advisory Committee Report to the President, the Congress and the United States Trade Representative on the United States-Panama Trade Promotion 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 on Trade in Fruits and Vegetables hereby 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 in the reduction and elimination of tariff rates affecting the fresh fruit, nut, wine and vegetable sectors.

III. Brief Description of the Mandate of the Committee

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 principal 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

The negotiated agreement provides for equity and reciprocity within the sectoral area.

U.S. negotiators were able to obtain immediate duty free market access commitments for most Harmonized Tariff Schedule (HTS) chapter seven and eight nuts, fresh fruits and vegetables that currently have a commercial interest in exporting to Panama.

Panama receives preferential trade benefits as a result of the Caribbean Basin Initiative. Therefore most, if not all, U.S. imports of Panamanian fruits and vegetables currently enter our country duty free.

The Committee is pleased with U.S. negotiators successfully concluding the “United States-Panama Agreement Regarding Certain Sanitary and Phytosanitary Measures And Technical Standards Affecting Trade In Agricultural Products.” Specifically, paragraph 11 of the agreement:

“To facilitate communication between the Parties on regulatory matters, and to promote scientific and expeditious resolution of sanitary and phytosanitary issues, involving products of the United States, Panama shall, within 24 hours after a Panamanian authority detains a shipment of a product from the United States due to a suspected quarantine pest, disease, or other sanitary or phytosanitary concern, notify representatives of APHIS and the Foreign Agricultural Service (“FAS”) at the U.S. Embassy in Panama City of the finding, provide a summary of the evidence found, and indicate the proposed disposition of the shipment. Panama also shall notify these representatives before implementing any new sanitary or phytosanitary requirement with respect to a product of the United States.”

FTAs are of little value if tariff reductions are replaced with SPS or other technical barriers to trade. Our sector is increasingly confronted with phytosanitary trade barriers. These barriers are erected by some trading partners with little or no warning and often with little or no evidence of risk to domestic plant health. The measures are commonly

not transparent and more trade restrictive than required to protect against plant health risks.

The Committee urges the Office of the U.S. Trade Representative to continue to focus its trade liberalization efforts on India, Taiwan, Japan and the European Union. Removing tariff and phytosanitary barriers as well as eliminating export subsidies and trade distorting domestic support in these countries will provide the specialty crop industry significant trade benefits and discipline some of the trade barriers that most affect this sector.

VI. Membership of Committee (list of members)

Mark Powers	ATAC Chair, Northwest Horticultural Council
Julie Adams	Almond Board of California
Dennis Balint	California Walnut Commission
Tom Bellamore	California Avocado Commission
Doug Bournique	Indian River Citrus League
Susan Brauner	Blue Diamond Growers
Reggie Brown	Florida Tomato Exchange
Lauri Buckley	A. Duda & Sons, Inc.
James Christie	Bryant Christie, Inc.
Alice Dettwyler	American Agri-Women
Chris Eckert	Eckert Orchards, Inc.
Wally Ewart	California Citrus Quality Council
Malaquias Flores	Washington State University
Nancy Foster	U.S. Apple Association
Ron Gaskill	U.S. Farm Bureau
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.
Roger Knutzen	Knutzen Farms LP
Barry Kriebel	Sun-Maid Growers of California
Richard Matoian	California Fig Advisory Board
Joseph MacIlvaine	Paramount Farming Company
John McClung	Texas Produce Association
Dan Moss	Moss Farms
Joel Nelsen	California Citrus Mutual
Richard Phillips	New Mexico State University
Freddie Richards	Prairie View A&M University
Joe Rollo	Wine Institute
Robert Schramm	Schramm, Williams & Associates
Tim Smith	Smith Ranches, Wood Orchard, & Sunsweet Growers, Inc.
Mike Wootton	Sunkist Growers
Joe Zanger	Casa de Fruta Orchards