U.S. Proposal for Global Agricultural Trade Reform

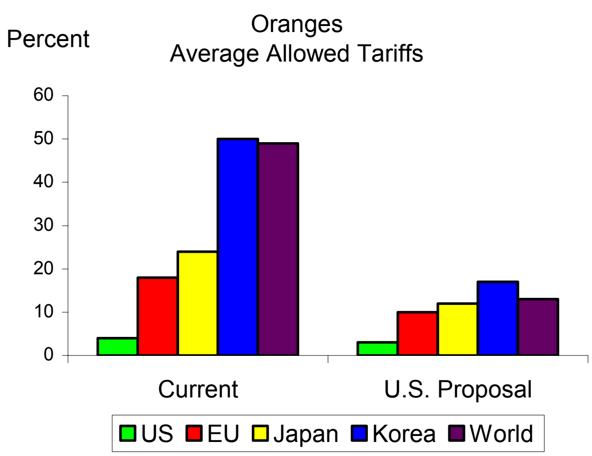
What's at Stake for Oranges?

The July 2002 U.S. agriculture proposal for the World Trade Organization Doha Development Agenda calls for ambitious reforms to open global markets for American agriculture.

Market Access

High Tariffs: The average allowed WTO tariff for oranges is 49%.

Reduce and Harmonize Tariffs: The United States is calling for a formula that would reduce high tariffs more than low tariffs with no tariff line greater than 25%, creating more equitable treatment for U.S. oranges.



Export Competition

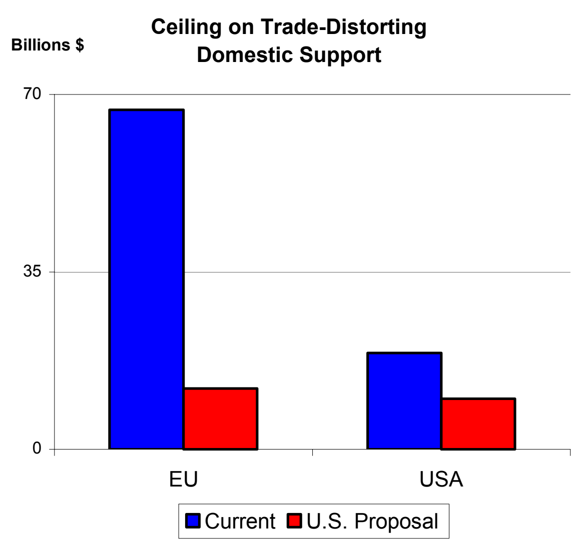
Export Subsidies: In marketing year 2000/01, the European Union (EU) provided $24.7 million in export subsidies to fresh fruit and vegetable producers, with an allowance to spend as much as $48 million on fresh fruit and vegetable exports.

Elimination of Export Subsidies: The U.S. proposal would eliminate export subsidies over a five-year implementation period.

Domestic Support

Trade-Distorting Domestic Support: In marketing year 1998/99, the EU provided $303 million in "amber box" support to orange producers.

Reduce and Harmonize Domestic Support: Under the U.S. proposal, the amount of trade-distorting domestic support available to any country would be capped at 5% of the total value of production. For example, the amount available to the EU across all products would drop from more than $67 billion a year to around $12 billion. The "blue box" exemption, which accounted for $22 billion of support in the EU during marketing year 1998/99, would be eliminated. The U.S. maximum allowed trade-distorting support would fall from $19 billion to around $10 billion.



Top U.S. Export Markets, 2001	
1. Canada	$85 million
2. Japan	$65 million
3. Korea	$51 million
4. Hong Kong	$46 million
5. China	$14 million
Total U.S. Orange Exports	$308 million

Top U.S. Import Sources, 2001	
1. Australia	$18 million
2. South Africa	$15 million
3. Mexico	$5 million
4. Dominican Rep.	$483,000
5. Italy	$426,000
Total U.S. Orange Imports	$40 million