# U.S.-PANAMA TRADE PROMOTION AGREEMENT
## EXPANDING MARKETS FOR AMERICA'S FARMERS AND RANCHERS

Panama is an important market for America's farmers and ranchers. In 2010, the United States exported over $450 million of agricultural products to Panama, more than double U.S. agricultural exports to Panama in 2005. Top U.S. exports were corn, soybean cake and meal, wheat, rice, and horticultural products.

Under the Caribbean Basin Initiative, more than 99 percent of Panama's agricultural exports enter the U.S. market duty-free. Currently, less than 40 percent of U.S. agricultural exports enjoy duty-free access to the Panamanian market.

The U.S.-Panama Trade Promotion Agreement ("Agreement"):

- Immediately eliminates duties on half of U.S. farm exports, including on high-quality beef, frozen turkeys, sorghum, soybeans, soybean meal, crude soybean and corn oil, almost all fruit products and tree nuts, wheat, most peanuts, whey, cotton, and many processed products.

- Eliminates nearly all of remaining tariffs on U.S. farm exports within 15 years.

- Immediately provides duty-free access through tariff rate quotas (TRQs) for specific volumes of standard grade beef, chicken leg quarters, pork, corn, rice, and dairy products.

### COMMODITY SPECIFIC BENEFITS

**Corn –** In 2010, the United States exported nearly $70 million of corn to Panama. The Agreement provides immediate duty-free access for a specific volume of U.S. corn through a 298,700 metric ton TRQ, with 3 percent compound annual growth. Panama will phase-out the out-of-quota tariff of 40 percent over 15 years with tariff reductions beginning after 5 years.

**Soybeans and Soybean Products –** In 2010, the United States exported $65 million of soybeans and soybean products (meal and oil) to Panama, $57 million of it soybean meal. The Agreement locks in duty-free treatment for U.S. soybeans, soybean meal and crude soybean oil. Panama will phase-out the 20 percent tariff on crude soybean oil over 15 years beginning after 5 years.

**Wheat –** In 2010, the United States exported nearly $37 million of wheat to Panama. The Agreement locks in duty-free for U.S. wheat.

**Rice –** In 2010, the United States exported over $36 million of rice to Panama. The Agreement provides immediate duty-free access for a specific volume of rice through two TRQs totaling 12,190 metric tons, with 6 percent compound annual growth. Panama will phase-out the out-of-quota tariff of 90 percent over 20 years beginning after 10 years.

**Horticulture and Horticultural Products –** In 2010, the United States exported over $50 million worth of horticulture and horticultural products to Panama (including fresh and processed fruits and vegetables, nuts, coffee and tea). Panama's tariffs on these products range from zero to 81 percent. Under the Agreement, Panama will provide immediate duty-free access on nearly 80 percent of these products. With a few exceptions, Panama will phase-out tariffs on most of the remaining products over 5 years.