

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

Colombia is an important market for America's farmers and ranchers. In 2010, the United States exported \$832 million of agricultural products to Colombia, the second highest export total in South America. Top U.S. exports include wheat, corn, cotton, soybeans, and corn gluten feed.

The U.S. – Colombia Trade Promotion Agreement (“the Agreement”):

- Immediately eliminates duties on almost 70 percent of U.S. farm exports including wheat, barley, soybeans, soybean meal and flour, high-quality beef, bacon, almost all fruit and vegetable products, peanuts, whey, cotton, and the vast majority of processed products.
- Eliminates virtually all remaining tariffs on U.S. farm exports within 15 years.
- Immediately provides duty-free tariff rate quotas (TRQ) on standard beef, chicken leg quarters, dairy products, corn, sorghum, animal feeds, rice, and soybean oil.
- Immediately eliminates Colombia's use of Andean Price Bands (variable tariffs), thereby ensuring that Colombia stops applying high duties under this mechanism.
- Gives the United States equal or preferential treatment vis-à-vis third-party competitors on key products.

### **COMMODITY SPECIFIC BENEFITS**

**Wheat and Barley** – In 2010, the United States exported \$164 million of wheat and barley to Colombia. Under the Agreement, Colombia's tariffs on all wheat and wheat products, as well as all barley and barley products will be immediately eliminated.

**Soybeans and Soybean Products** – In 2010, the United States exported \$103 million of soybeans and soybean products (cake and meal, oil) to Colombia. Under the Agreement, Colombia will immediately eliminate tariffs on soybeans and soy meal and flour.

**Cotton** – In 2010, the United States exported \$100 million of cotton to Colombia. Under the Agreement, Colombia will immediately eliminate cotton tariffs.

**Yellow Corn** – In 2010, the United States exported \$98 million of yellow corn to Colombia. Under the Agreement, Colombia will provide immediate duty-free access through a 2.1-million metric ton TRQ with 5-percent annual growth. Colombia will phase-out the out-of-quota tariff of 25 percent over 12 years.

**Processed Products** – In 2010, the United States exported \$202 million of processed products to Colombia. Colombia's applied tariff rates ranging from 5 to 20 percent. Under the Agreement, most products will immediately enter Colombia duty free. All others will enter free of tariffs in 10 years or less.

**Animal Feeds and Fodders** – In 2010, the United States exported nearly \$57.3 million of animal feeds to Colombia. Current applied tariff rates range from 5 to 20 percent but can be as high as 97 percent for products subject to Colombia’s price bands. Under the Agreement, Colombia will provide immediate duty-free access for various animal feeds through a 194,250-metric ton TRQ with 5-percent annual growth. The out-of-quota tariffs for these animal feeds are either 10 or 25 percent. They will be phased out over 12 years.

###