



# CALIFORNIA FARM BUREAU FEDERATION

EXECUTIVE OFFICES

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April 28, 2008

California Delegation  
US House of Representatives  
Washington, DC 20515

Re: Support - US-Colombia Trade Promotion Agreement

Dear Member:

The California Farm Bureau Federation (CFBF) supports the US - Colombia Trade Promotion Agreement (US-Colombia TPA). Colombia already benefits from duty-free access to the US market for most of its products. With this agreement, California producers will benefit from lower tariffs on US exports to Colombia and a better trade balance will be created. CFBF supports this agreement and wants US trade negotiators to continue to find agreements that offer greater market access with emerging markets that provide California agriculture with more market opportunities.

CFBF is the largest agricultural organization in the state, representing more than 34,000 farm families. With over \$32 billion in direct farm sales and 250 commodities, California leads the nation in agricultural production and exports with \$10.2 billion in agricultural receipts around the world.

## **Is current trade balanced? NO**

- 99 percent of agriculture exports from Colombia to the United States enter the U.S. with 0 tariffs due to the U.S. - Andean Trade Promotion and Drug Eradication Act, passed in 2002.
- U.S. agricultural exports to Colombia face an average tariff of 30 percent.

## **What the agreement means for U.S. agriculture-**

- Estimated increase in agriculture trade of \$690 million per year after full implementation of the agreement.
- Colombia will immediately eliminate its 80 percent tariff (108 percent allowed by the WTO) on US prime and choice cut beef products.
- US beef exporters of standard quality beef cuts will enjoy immediate tariff-free access through a 2,100-ton TRQ. The TRQ will grow by 5 percent, compounded annually. Colombia will phase out the 80 percent out-of-quota tariff over 10 years after a 37.5 percent cut at the beginning of the first year of implementation.
- US exporters of variety meats (offals) will immediately receive tariff-free access under a 4,642-ton TRQ that will grow 5.5 percent, compounded annually. The 80 percent over-quota tariff will be phased out over 10 years.
- US rice exporters currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 189 percent in Colombia. Other rice products face applied tariff rates, ranging from 5–80 percent. Colombia will immediately eliminate the price band system on imports from the United States.

- Colombia will establish a 79,000-ton, zero-tariff rice TRQ that will grow 4.5 percent, compounded annually. All rice types will be eligible for the TRQ with the quantity on a milled-equivalent basis. The over-quota tariff will be phased out over 19 years with no reduction during the first 6 years of the agreement.
- Colombia will immediately eliminate tariffs on lettuce, tomatoes and broccoli.
- Colombia will immediately eliminate the current applied tariffs on tree nuts of 20 percent, but under WTO rules, could rise to 140 percent.

### **Increasing US Competitiveness with Other Countries**

The US already faces disadvantages in the Colombian market with higher freight and duties than other competing countries in that market. Argentina represents 10% of the Colombian market, Bolivia taking up 9% and Canada 7%. A US-Colombia agreement gives the US the opportunity to compete with these countries in the Latin American marketplace.

### **Closing**

This agreement offers more opportunities for California producers who are currently placed at a disadvantage when competing in the Colombian market. It is for this reason CFBF asks for your support of the US-Colombia TPA. If you have further questions please contact Rayne Thompson at 916-561-5610.

Sincerely,



DOUG MOSEBAR  
President

cc: California Members of the House  
Governor Arnold Schwarzenegger