

Colombia Free Trade Agreement

Background

The U.S.-Colombia FTA was finalized on November 22, 2006 under fast-track Trade Promotion Authority.

At the request of the Obama Administration, Colombia has made additional concessions to revise domestic labor laws. Colombia has met their obligations and is working to fully implement the plan by December 15, 2011. Colombia's efforts demonstrate the high value they place on bilateral U.S. relations.

The International Trade Commission estimates that this FTA will increase U.S. GDP by \$2.5 billion.

Highlights of the Agreement

- More than half of U.S. agricultural exports to Colombia will become duty-free immediately
- Remaining tariffs will be eliminated within 15 years
- Colombia will eliminate its price band system which affects key U.S. exports including corn, wheat, dairy, pork, and poultry
- Tariffs on \$202 million in U.S. processed food product exports—which are currently as high as 20%—will be immediately eliminated



Did you Know?

- Colombia is our second largest agricultural export market in South America with sales of \$832 million in 2010
- Our top exports to Colombia are wheat, corn, cotton, and soybeans
- Colombian tariffs currently average 5% to 20% on U.S. products, but under WTO agreements, can be increased up to 388%
- Colombian and U.S. agricultural production are complementary—Colombia exports tropical fruits to the U.S. and imports grains—taking advantage of our different production abilities

Vote YES

Since Colombia began implementing FTAs with other trading partners, the U.S. share of their total imports fell from 44% in 2007 to 21% in 2010.

A U.S.-Colombian FTA would stop that market erosion.

Colombia has met its responsibilities and deadlines to reform its domestic policy.

This agreement is an opportunity to restore trading relationships and regain this market for high-quality U.S. products.

What They're Saying

Colombia has traditionally been one of the Top 10 export markets for U.S. corn. This is an important market for U.S. farmers and we do not want to watch this market slip away to our largest competitors. America's corn producers stand ready to produce enough corn to meet the increasing global demands for food, feed, fuel and fiber.

- National Corn Growers Association

Timely passage of the pending agreement with Colombia is particularly critical at this juncture. U.S. wheat producers stand to lose upwards of \$100 million of sales a year in Colombia if the U.S.-Colombia trade agreement isn't quickly ratified.

- National Association of Wheat Growers