



## Agriculture and the Latin American TPAs

The Colombia and Panama Trade Promotion Agreements (TPAs) could produce a billion dollars in new farm exports and thousands of new jobs.

- Colombia and Panama have long been important export markets for American farmers and ranchers. Colombia in particular has often ranked among the top ten global markets for U.S. sales of key agricultural commodities such as corn and wheat.
- The pending trade agreements would boost these exports significantly. According to the American Farm Bureau Federation, agricultural exports to Colombia and Panama are expected to grow by more than \$814 million dollars and \$195 million a year, respectively, upon full implementation of the two trade agreements. Every billion dollars of agricultural exports creates 9,000 new jobs.
- More than half of all U.S. agricultural exports will win immediate duty-free access to the Colombian and Panamanian markets upon entry-into-force of the trade agreements. They will allow U.S. farmers and ranchers to access these markets on terms equal to or better than suppliers in Argentina and Brazil, many of whose products benefit from duty-free access to the Colombian market.
- Developments in Colombia show the cost of delaying the trade agreements. In the five years prior to 2008, U.S. exports of wheat, corn, and soybeans to Colombia were expanding at annual growth rates averaging nearly 40%. In recent years, however, while the United States failed to approve its trade agreement with Colombia, Colombia inked new trade deals with Canada, Chile, and the European Union, and Mercosur, which includes Argentina and Brazil.
- As a result, U.S. exports of corn, wheat, and soybeans have been hit hard, and the combined U.S. share of Colombia's imports of these products has fallen from 78% in 2008 to 28% in 2010. The dollar value of U.S. exports of just these three crops has fallen in this period from \$1.1 billion to \$343 million.
- A coalition of 123 organizations representing nearly all sectors of American agriculture sent a letter on July 29, 2011, to President Obama and Members of Congress urging them "to stand up for American exports and the jobs that depend on them by taking immediate action to implement the pending free trade agreements... The longer we wait to implement these agreements, the farther behind we will fall in these markets to our competitors... The seemingly endless delays on our side do not serve our economic or foreign policy interests, and they run the risk of causing long-term damage to U.S. food and farm exports."