

## **STATEMENT ON FREE TRADE AGREEMENTS**

**October 4, 2011**

### **USA Poultry & Egg Export Council, National Chicken Council, National Turkey Federation, United Egg Producers**

The U.S. poultry and egg industry applauds the decision yesterday to send the three pending free trade agreements (FTAs) with Korea, Colombia and Panama to Congress for approval. Our industry has strongly supported these agreements since negotiations were concluded more than four years ago.

The future of the U.S. poultry and egg industry depends on the continued expansion of exports. The three FTAs could generate almost \$1.4 billion in additional U.S. poultry and egg exports annually. According to USDA calculations, the industry's current annual exports of nearly \$4.4 billion supports more than 50,400 U.S. jobs, and that each billion dollars in U.S. poultry and egg exports equates to about 11,525 American jobs throughout the economy.

The U.S.-Korea Free Trade Agreement (KORUS FTA) would greatly improve market access for U.S. poultry and egg exports to South Korea, mostly by duty reduction and elimination. In 2010, U.S. poultry product exports totaled \$101 million. With KORUS FTA approval, U.S. poultry meat exports to Korea could rise to more than \$150 million or 125,000 tons annually, with annual egg exports tripling to \$12 million. Over the first 10 years of the agreement, this is expected to generate \$720 million in exports.

The U.S.-Colombia FTA would cut duties, eliminate variable duties and would give the United States a 27,040-metric ton tariff rate quota at zero duty with 4 percent annual growth for chicken leg quarters. If the FTA is approved, U.S. exports are expected to rise from \$22 million of poultry and products to \$42 million by 2015. As duties come down over the FTA's implementation period, annual exports are expected to exceed 180,000 metric tons by 2020, which is worth \$135 million. Over 10 years, the U.S.-Colombia FTA is expected to generate \$660 million in new U.S. exports.

The U.S.-Panama FTA would eliminate duties on some poultry products within five years and establishes a preferential duty-free TRQ for chicken leg quarters that starts at 660 tons and grows each year by a 10-percent compound rate. Trade to this market is expected to grow steadily from \$19 million in 2010 to \$32.6 million by 2020 – for a total of \$70 million in new trade over the next decade.

The U.S. poultry and egg industry encourages Congress to approve the three pending FTAs swiftly and decisively.