



## **U.S.-Central America and Dominican Republic Free Trade Agreement (CAFTA-DR)**

The U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) covers the countries of the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. CAFTA-DR is gradually eliminating tariffs and other barriers to trade in goods, agriculture, services, and investment between the United States and Central America / the Dominican Republic. U.S. dairy producers and processors benefit from these increased trade opportunities within the region. The agreement was implemented in 2006, making that Year 1 of the FTA.

Eliminating tariffs on Central American and Dominican Republic imports of dairy products from the United States has stimulated additional U.S. dairy exports by providing the U.S. with more favorable trading terms than some of our key competitors. TRQs have been created for many dairy products such as NFDM, cheese, butter and a variety of other product areas. These tariff-rate quotas grow each year of the FTA until tariffs on these products are ultimately eliminated. In addition, the U.S. secured zero duty access for whey, lactose and certain cheeses, among other products.

CAFTA-DR provides the U.S. dairy industry with key export opportunities in Central America. Details of the agreement can be found at the following USTR website:

<http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta>