



## U.S.-Panama Free Trade Agreement

The U.S.-Panama FTA took effect on October 31<sup>st</sup>, 2012. This FTA increased U.S. exports of cheese, whey and skim milk powder, among other dairy products through providing in-quota access into Panama's market. For many of these dairy products, including milk powders and cheeses, new TRQs totaling just under 4,000 metric tons, with a 5% annual growth rate for most products, expanded access for U.S. exports. Ultimately all tariffs on dairy products will phase down to zero within 17 years of the implementation date. For several other dairy products, including most whey products, tariffs were eliminated immediately after the agreement took effect. Another important achievement of this FTA is that it resolved a troublesome SPS issue concerning individual plant inspections by Panamanian authorities that seriously hindered trade.

This well-negotiated FTA with the net-dairy-importing nation of Panama provides beneficial new export opportunities to the U.S. dairy industry. Details of the Panama agreement can also be found at the following USTR website: <http://www.ustr.gov/uspanamatpa>