



Panama Free Trade Agreement

Background: Negotiations with Panama were launched in 2004. Discussions on basic market access issues for agriculture were resolved fairly quickly, but sanitary and phytosanitary (SPS) issues proved to be a stumbling block for quite some time.

Ultimately, the U.S. and Panama concluded the FTA in late 2006.

For many 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, will expand access for U.S. exports while tariffs are phased out over a period of up to 17 years. For several other dairy products, including most whey products, tariffs will be eliminated immediately. 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.

USDEC has created a [Summary of the Panama FTA's terms](#). Details of the Panama agreement can also be found at the following USTR website:
[http://www.ustr.gov/Trade Agreements/Bilateral/Panama FTA/Draft Text/Section Index.html](http://www.ustr.gov/Trade%20Agreements/Bilateral/Panama%20FTA/Draft%20Text/Section%20Index.html).

USDEC Position: This well-negotiated FTA with the net-dairy-importing nation of Panama will provide beneficial new export opportunities to the U.S. dairy industry. USDEC will be supporting the Panama FTA as it goes through the Congressional approval process.