



Peru Free Trade Agreement

Background: In 2004, the U.S. entered into negotiations with Colombia, Peru and Ecuador. Negotiations progressed at different paces with each of the three countries, so the U.S. decided to pursue a separate FTA with each country as terms could be agreed to, rather than take the slower pace that would be needed to keep all three on the same time-table.

Talks with Peru came to a close in December 2005. In June 2006 the Peruvian government voted in favor of the U.S.-Peru FTA. The US Congress passed the agreement in late 2007 and it took effect on February 1, 2009.

The agreement provides beneficial new export opportunities for U.S. dairy exports of powder, cheese, whey and other dairy products. It provides immediate open access for lactose and most whey products, as well as certain other dairy products. The Peru FTA will provide 10,000 metric tons of new duty-free, in-quota access for cheese, milk powders and other dairy products in the first year of the FTA. These amounts will then grow over time.

USDEC has created a **Summary** of the Peru FTA's terms. Details of the Peru agreement can also be found at the following USTR website:
http://www.ustr.gov/Trade_Agreements/Bilateral/Peru_TPA/Final_Texts/Section_Index.html.

USDEC Position: The Peru FTA will provide important new export prospects to the U.S. dairy industry, providing important net benefits to USDEC members. USDEC will be working with its members to help facilitate opportunities to take advantage of the new market access opportunities upon implementation of the FTA.