

PRESS RELEASE

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Contact:

Katharine Shaw, International Food & Agricultural Trade Policy Council
202-328-5117
shaw@agriftrade.org

Daniel Karanja, Partnership to Cut Hunger and Poverty in Africa
202-479-4501
karanjad@msu.edu

A look at African food and agricultural exports to the U.S.

(Washington, DC) July 26, 2010 - The African Growth and Opportunity Act (AGOA), now in its tenth year, has strengthened African-US trade ties, but the \$1.2.-1.4 billion in food and agricultural goods the U.S. purchases from Africa each year are about 2 percent of the total value of U.S. imports from the continent. "This performance is disappointing," explains Partnership to Cut Hunger and Poverty in Africa's (PCHPA) Executive Director and CEO Julie Howard, "in particular since agriculture is a key driver for economic growth and poverty alleviation in Sub Saharan Africa."

The International Food & Agricultural Trade Policy Council (IPC) and the PCHPA, are pleased to announce the release of two joint studies that analyze the disappointing performance of agricultural exports from Africa to the U.S., and make a number of recommendations to improve the status quo. "These findings come just in time for the annual AGOA Forum and predate a possible reform of U.S. trade preference programs," states IPC Chief Executive Charlotte Hebebrand, "and we hope that they make a meaningful contribution to these deliberations."

The Policy Brief on "**U.S. Tariff Rate Quotas and AGOA Market Access**," authored by David Skully, examines how U.S. TRQs for key agricultural commodities, including sugar, tobacco and peanuts, which are based on U.S. import patterns from decades earlier, limit export opportunities for AGOA countries. Allocations of TRQs shares dating from before decolonization discriminate against developing countries: AGOA countries have no share of many TRQs, and when they do, it is usually small and shared with other countries. Such TRQs were initially designed to protect U.S. domestic commodity programs, but still persist even when some of those commodity programs have been eliminated or radically changed, as is the case for tobacco and peanuts.

- Allocation of in-quota shares is a major impediment to AGOA market access. The paper recommends a few remedies, including creating an AGOA-only allocation, which could be additional to existing in-quota allocations or established through reallocation of existing shares, many of which have been under-filled.
- For prohibitive over-quota tariffs, the paper calls upon the U.S. government to provide quota-free, duty free treatment. Such an action, which would require Congressional action, would constitute an important trade and development measure.

The Policy Brief on "**Horticultural Exports from AGOA Countries to the U.S.: Challenges and Considerations**," authored by Rick Pasco, identifies critical hurdles facing African exporters of fruit and vegetables into the U.S. market, in particular in relation to plant health standards. U.S. regulators are required to undertake a detailed pest risk analysis, approve a pest mitigation strategy and can only approve a product for import after it has gone through a lengthy rule-making procedure. The paper shows that many import approval requests from Africa have been pending for years.

- Given these hurdles and delays, AGOA countries are encouraged to undertake a market feasibility study prior to seeking import approval to determine whether there is sufficient market demand in the U.S. for their products, perform local pest assessments to determine existence of serious pests that could preclude approval U.S. importation, and dedicate sufficient resources for risk analysis to support these requests.
- The U.S. government has already undertaken steps, and should be encouraged to continue doing so, to reduce some aspects of the hurdles, which can serve to speed up the approval process without sacrificing safety. Given the diverse responsibilities of the U.S. Department of Agriculture, it should be encouraged to provide greater consideration to import approval requests from U.S. trade preference beneficiaries, including AGOA-eligible countries. This would include providing additional resources to process these requests, without sacrificing safety - a logical complement to the granting of trade preferences intended to enhance exports from preference beneficiaries.
- Improving inter-agency coordination with respect to communication and capacity building for AGOA countries interested in accessing the U.S. market is a key priority, given the involvement of so many U.S. agencies on matters of food safety, and animal and plant health, and their often divergent approaches to addressing imports. This will be particularly important when/if FDA changes its import requirements.

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The policy briefs are available on IPC's website:

U.S. Tariff Rate Quotas and AGOA Market Access: <http://www.agritrade.org/Publications/documents/USTRQsandAGOApolicyfocus.pdf>
Horticultural Exports from AGOA Countries to the U.S.: Challenges and Considerations: <http://www.agritrade.org/Publications/documents/PolicyBrief.pdf>

About the International Food & Agricultural Trade Policy Council:

The International Food & Agricultural Trade Policy Council promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policy makers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and advocate policies to decision-makers. More information on the organization and its membership can be found on our website: www.agritrade.org.

About the Partnership to Cut Hunger and Poverty in Africa:

The Partnership to Cut Hunger and Poverty in Africa is a nongovernmental organization committed to analysis, dialogue, and advocacy to significantly increase the level and effectiveness of U.S. public assistance and private investment to strengthen African agricultural and rural development. More information on the organization can be found on their website at: www.partnership-africa.org.