

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 4/3/2017

**GAIN Report Number:** GT-1701

## Guatemala

**Post:** Guatemala

### Guatemala Drops Tariff on U.S. Poultry

**Report Categories:**

Export Accomplishments - Market Access

**Approved By:**

Todd Drennan, Regional Agricultural Counselor

**Prepared By:**

Sean Cox, Regional Agricultural Attaché

**Report Highlights:**

On Friday, March 31, 2017, the Guatemalan Ministry of Economy and the United States Trade Representative's Office signed an agreement to eliminate the tariff on U.S. chicken leg quarters.

**General Information:**

On Friday, March 31, 2017, the Guatemalan Ministry of Economy and the United States Trade Representative's Office signed an agreement to eliminate the tariff on U.S. chicken leg quarters. The decision will enter into force when the other parties to the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) sign the agreement, and the Ministry of Economy publishes the decision. The other countries have already stated their support for the decision. The Guatemalan Congress ordered the Ministry of Economy to resolve this situation by April 6, 2017. This agreement eliminates the tariff for fresh, frozen and chilled chicken leg quarters almost five years earlier than originally negotiated under CAFTA-DR.

The elimination of the tariff will allow U.S. leg quarters to continue entering into Guatemala duty-free. In 2015 and most of 2016, leg quarters entered Guatemala duty-free. But on January 1, 2017, the duty-free tariff codes were eliminated, and U.S. product was forced to enter through the CAFTA-DR out-of-quota tariff of 12.5 percent. Guatemala is the sixth largest importer of U.S. leg quarters, and last year imported over \$80 million. U.S. exporters had a 98 percent market share for leg quarters in Guatemala in 2016. This decision will give the United States continued access to the growing Guatemalan poultry market.

In a separate decision, Guatemala and the United States agreed to establish a tariff-rate quota of 1,000 metric tons for processed chicken leg quarters that will expire in 2022 when all poultry will enter duty-free.

For background information, please see GAIN GT-1613.