



FACT SHEET

U.S.-Korea Free Trade Agreement

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The United States concluded free trade negotiations with Korea on April 1, 2007. The pending U.S.-Korea free trade agreement (FTA), known as the KORUS FTA, will provide American agriculture with improved access to Korea's \$1 trillion economy and 49 million consumers.

The United States is already Korea's top supplier of a broad variety of farm products, including almonds, fresh cherries, oranges, hides and skins, alfalfa, corn, and wheat. In 2009, U.S. agricultural exports to Korea totaled \$3.9 billion (\$4.4 billion including fish and forest products), making Korea the fifth largest export market for U.S. farm products.

- With the agreement, almost two-thirds of U.S. farm products exports will become duty free immediately. These include wheat, corn, soybeans for crushing, whey for feed use, hides and skins, cotton, cherries, pistachios, almonds, orange juice, grape juice, and wine.
- Other farm products that will benefit from immediate duty-free access within new tariff-rate quotas (TRQs) include skim milk powder, whey for food use, cheese, dextrans and modified starches, barley, popcorn, soybeans for food use, dehydrated and table potatoes, honey, oranges, and hay.
- Korea's 40-percent tariff on U.S. beef will be eliminated over 15 years. By 2014, more than 90 percent of pork exports will be duty-free.
- On the regulatory side, the agreement establishes an SPS Committee to enhance cooperation and consultation on sanitary and phytosanitary matters. The objective of the committee is to achieve regulatory harmonization through the use of international standards and guidelines, including those of the World Organization for Animal Health (OIE).

The United States provided 30 percent of Korea's total agricultural imports in 2009. But if the United States fails to implement the KORUS FTA, it will likely lose market share to its competitors who have enacted FTAs with Korea. Korea finalized its FTA with the European Union in October 2009 and presently has FTAs in place with Chile, India, and the 10-country ASEAN group. In addition, Korea is negotiating new FTAs with Canada, Australia, New Zealand, and China.

For questions about the U.S.-Korea Free Trade Agreement and its impact on U.S. agriculture, please contact FAS Legislative and Public Affairs at (202)720-7115 or LPA@fas.usda.gov.