

Farm Bill Includes Vital Trade Benefits for Haiti, Caribbean Basin

Provisions will build on existing trade preferences to help fight poverty and famine

WASHINGTON, D.C. – House and Senate negotiators have outlined a final agreement on the farm bill. The bipartisan legislation will include extensions of critical trade preferences for Haiti and the Caribbean Basin aimed at fighting poverty and hunger and strengthening economic ties between the U.S. and the region. The provisions were championed by Ways and Means Committee Chairman Charles B. Rangel (D-NY), a long-time supporter of trade preferences for the Caribbean.

“The Farm Bill should promote nutrition and enhance food access at home and abroad,” said Chairman Rangel. **“You can’t always spread democracy with a rifle and this bill improves on existing measures to address the crisis in Haiti caused by rising food prices and persistent poverty. By extending and strengthening provisions that would soon expire, we can help give a sense of certainty to investors to continue the economic growth and development we have built in the Caribbean region, while creating new opportunities for American workers, farmers and businesses.”**

Brief summary of trade provisions included in the Farm Bill:

Haiti (HOPE II)

Congress passed the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act in 2006. Currently, the use of the Act’s preference program is limited due to complex rules of origin. In fact, just 1.6% of Haiti’s apparel exports in 2007 were under the HOPE I program. As a result, the economic benefits that the preference program was intended to spread widely have not been forthcoming.

The “HOPE II” provisions included in the Farm Bill provide additional, simplified ways for Haitian apparel to qualify for duty-free treatment in order to foster economic development. It also creates incentives to use American inputs, thereby providing new opportunities for American workers, farmers and businesses.

Two-year extension of Caribbean Basin Initiative (CBI)

The Caribbean Basin Initiative (CBI) provides preferences on textiles, apparel, and other goods. CBI has helped raise living standards and strengthened the economies of many Caribbean nations. The initiative has also provided benefits to American workers and businesses and strengthened the United States’ ties to important friends and allies in the region. (Note: Haiti currently exports most of its goods to the U.S. under CBTPA). However, certain CBI benefits expire on September 30, 2008.

The CBI provisions included in the Farm Bill extend the expiring provisions for two years. Like the HOPE II reforms, they will help participating Caribbean nations attract foreign investment and create new jobs.

Please visit: <http://waysandmeans.house.gov/media/pdf/110/farbill.pdf> for more details.