

Trade agreement with Peru likely to get Colorado votes

Big producers in the state back the legislation, but smaller outfits oppose it. Five of Colorado's seven U.S. reps say they'll support it.

By Anne C. Mulkern
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WASHINGTON — Legislation that would open trade with Peru and lift levies now charged on numerous Colorado products is expected to get a vote in the U.S. House today.

Colorado producers of beef, wheat, wine, potatoes and other products believe the agreement will increase sales to the South American nation.

But the legislation has divided the local business community. Trade groups for some of the largest producers welcomed the deal while labor groups and associations representing smaller businesses criticized it.

House Democratic leadership believes the trade agreement will pass. Five of the seven House members from Colorado either are leaning toward voting for it or plan to do so.

"Peru is a great deal for cattle producers," said Stacey Satterlee, director of legislative affairs for the Centennial-based National Cattlemen's Beef Association. "All these little markets add up, and they matter."

Import taxes of 25 percent now charged by Peru for the highest-quality American beef sold to restaurants will be eliminated, Satterlee said. That will allow American beef producers to compete with sellers from Brazil, Colombia, Ecuador and Bolivia, she said. Tariffs on other beef products will be phased out over 12 years.

The trade bill also lifts duties of 30 percent on potatoes and 30 percent to 68 percent on wheat and barley, according to an aide for Rep. John Salazar, D-Colo.

Almost all of Peru's imports into the U.S. are free of duties.

"Certainly, products from Colorado and the rest of the United States are at a competitive disadvantage," said Landon Gates with the Colorado Farm Bureau, a trade group with 24,000 members.

But the trade group for smaller farms, Rocky Mountain Farmers Union, said the agreement would hurt farmers by flooding the U.S. with inexpensive goods.

"We feel like most of these trade agreements pit one farm against another," said Benjamin Waters, government-relations director for Rocky Mountain Farmers Union, which represents about 20,000 farms in Colorado.

A trade group for independent cattle ranchers and feedlots said it's concerned that the agreement would not protect consumers. Beef producers in surrounding countries could ship cattle to a Peru slaughterhouse where it would be labeled as a product of Peru and shipped to the U.S., said Bill Bullard, chief executive of R-Calf United Stockgrowers of America, a Montana trade group with about 1,000 Colorado members.

Moreover, the agreement helps multinational corporations like Swift & Co. increase their market share, which gives them increased power, he said.

"They're seeking lower-cost production areas from which to procure live cattle beef," Bullard said.

That hurts smaller U.S. producers, he said.

Of the Colorado delegation, Democratic Reps. Salazar of Manassa, Mark Udall of Eldorado Springs and Ed Perlmutter of Golden said they are leaning toward voting for the bill.

Republican Reps. Marilyn Musgrave of Fort Morgan and Doug Lamborn of Colorado Springs will vote for it. Reps. Diana DeGette, a Denver Democrat, and Tom Tancredo, a Littleton Republican, had not decided as of Tuesday night.

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