

Panama agriculture minister resigns over US talks

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PANAMA CITY -- Panama's agriculture minister resigned on Tuesday, alleging that a proposed free trade deal with the United States could expose the country to bird flu, foot and mouth disease and mad cow disease.

Laurentino Cortizo told President Martin Torrijos he feared Panama could be forced to ignore its own food health standards in a free trade deal with Washington.

"It worries me enormously that a relaxing of the sanitary measures could put the health and lives of Panamanians at risk," he said in his resignation letter, a copy of which was seen by Reuters.

"Have you analyzed the cost to the country and its producers to recover from a disease such as ... foot and mouth disease, mad cow disease and bird flu?," he said.

The minister's resignation came as negotiators from both countries began three days of talks in Washington in the hopes of finishing work on the free trade pact.

U.S. agriculture officials denied the trade agreement could expose Panama to increased animal diseases.

"There are no grounds to the assertions made by the minister," said Terri Teuber, a spokeswoman for the U.S. Agriculture Department. "There's nothing about a free trade agreement, and this free trade agreement in particular, that would weaken food safety standards."

Instead, trade agreements strengthen food safety rules by harmonizing them with international standards, Teuber said.

"The bottom line is the U.S. has one of the safest food systems in the world," she said.

Cortizo also suggested the trade deal could hurt the livelihoods of thousands of rural Panamanians.

The free trade talks started in 2003 but snagged last year on Panama's concerns that tariff-free access to its agricultural markets could hit farmers - particularly pork, chicken and rice producers.

The other nations of Central America have already drawn up a free trade deal with Washington that was due to start on January 1, although its implementation has been delayed.

As Panama's economy is predominantly service-based with a strong maritime and banking sector, it opted to negotiate a separate deal with the United States.

Panama says it exported \$433 million of goods to the United States in 2004, around half of its total exports. It imported around \$1.8 billion of U.S. goods in the same year.

Critics of the proposed trade deal seized on Cortizo's resignation. "Our health measures are, in a lot of respects, better than those of the United States," said Alexis Soto, an economist with the National Agricultural Organization farm group.

A protest of farm workers was planned for Tuesday afternoon in Panama.

(Additional reporting by Doug Palmer in Washington)