

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:** 12/5/2017

**GAIN Report Number:** GT17008

## Guatemala

**Post:** Guatemala

### Guatemala announces WTO quotas to cover for basic grains

**Report Categories:**

Agricultural Trade Office Activities

Trade Policy Monitoring

WTO Notifications

**Approved By:**

Sean Cox, Agricultural Attaché

**Prepared By:**

Karla Tay, Agricultural Specialist

**Report Highlights:**

Guatemala announced that it will open World Trade Organization (WTO) tariff quotas in 2018 for 5,000 metric tons (MT) of black beans, 150,000 MT of yellow corn, 50,000 MT of white corn, and 26,000 MT of rough rice. The proposed quotas were approved by the Central American Council of Economic Ministers (COMIECO) on November 27, 2017. Guatemala cited losses for late harvest basic grain production in 2017 as the reason behind the TRQs. Although Guatemala generally makes these quotas available, they are not necessarily announced.

**Executive Summary:**

Guatemala will open WTO quotas in 2018 in an effort to keep basic grain prices stable. The Ministry of Agriculture stated that there was a 10% loss in the basic grain second harvest (“postrera”) due to heavy rainfalls and floods in production areas. The Ministry of Economy (MINECO) requested the WTO duty free quota activation and COMIECO approved Guatemala’s request to activate 5,000 MT of black beans, 150,000 MT of yellow corn, 50,000 MT of white corn, and 26,000 MT of rough rice for 2018. The quota will be open for from January 1 to December 31, 2018, to all WTO members.

Under CAFTA-DR, the duty-free quota for U.S. black beans in 2018 is 95 MT, with a 6% out-of-quota tariff. For 2019 the duty free quota will increase to 99 MT, with 3% out-of-quota tariff, and full duty elimination by January 1, 2020. The WTO CY2018 quota of 5,000 MT is more than 50 times the CAFTA-DR quota. Major exporters of black beans to Guatemala are Argentina (37% share), followed by the United States (31%), and China (21%), according to the Global Trade Atlas.

U.S. yellow corn was granted duty free access beginning in 2015 and 96% of Guatemalan imports come from the United States. White corn, which is the most protected of all the agricultural products in Guatemala, has a duty free CAFTA-DR quota of 25,200 MT for 2018 and out-of-quota tariff of 20%. The 2018 WTO duty free quota is roughly twice as much as CAFTA-DR for the same period.

The U.S. rough rice quota will be eliminated in 2023 when the duty drops to zero. For 2018, the U.S. rough rice quota is 85,800 MT with a 21.97% out-of-quota tariff. The quota increases by 2,600 MT per year until 2023 and the out-of- quota tariff is reduced by 4.89% on a yearly basis until it is phased out in 2023. U.S. rice has a 99% market share for Guatemalan rice imports (rough and paddy), according to the Global Trade Atlas.