2014 NATIONAL TRADE ESTIMATE REPORT

Docket USTR-2013-0027

Country:	**India**
Commodities:	**Frozen French Fried Potatoes**
Classification Number:	**HTS 2004.10**
Import Policies:	
Tariff and Other Import Fees:	**30% ad valorem applied tariff**

Countervailing Duty (CVD) is 6%.

Special CVD is 4%.

Education Cess is 3%.

Net Effective Import Fee is 44.491%.

The 6% CVD and and 3% education tax are reportedly applied to both domestically produced and imported frozen french fries. However, it appears that the 4% special CVD is only applied to imports and not to domestically produced comparable products, a clear violation of India's GATT 1994 national treatment commitments.

The expansion of U.S. quick service restaurant chains in the country makes India a high priority for the U.S. frozen french fry industry. The 30% applied rate is lower than India's WTO bound rate, but the lower rate has been nullified by the addition of a variety of complex additional import fees (see above). The 2012/13 Union Budget actually increased the CVD from 5% to 6% which increased the net effective import fee on frozen french fried potato imports from 43.308% to 44.491%.

The *ad valorem* applied tariff levied to import tariffs should be significantly reduced in India's annual Union Budget process.

Potential Increase in U.S. Exports: **$5-25 million**

ConAgra Foods, headquartered in Omaha, Nebraska, is one of North America's largest packaged food companies with revenues of $15 billion serving consumer grocery retailers, as well as restaurants and other food service establishments. Popular ConAgra consumer brands include: Banquet, Chef Boyardee, Healthy Choice, Hebrew National, Hunt's, La Choy, Marie Callender's, Orville Redenbacher's, Parkay, Peter Pan, Swiss Miss and many others. ConAgra currently has a presence in 24 countries and employs about 25,000 workers worldwide. The company is a rich source of U.S. jobs beyond its own staff, indirectly accounting for tens of thousands of additional jobs as one of the largest customers of U.S. agricultural and farm products.

2014 NATIONAL TRADE ESTIMATE REPORT

Docket USTR-2013-0027

Country:	**Taiwan**
Commodities:	**Frozen French Fried Potatoes**
Classification Number:	**HTS 2004.10**
Import Policies:	
Tariff:	**12.5% ad valorem**
	Taiwan's 12.5% tariff on frozen French fries is among the highest in Asia. As a major supplier to Taiwan, the United States' exports of frozen French fries would grow significantly if Taiwan's 12.5% tariff were reduced or eliminated.
Potential Increase in U.S. Exports:	**$5-25 million**

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Docket USTR-2013-0027

Country: **Japan**

Commodities: **Frozen French Fried Potatoes**

Classification Number: **HTS 2004.10.100**

Import Policies:

Tariff: **Frozen French Fries - 8.5% ad valorem**

Immediate elimination of Japan's 8.5% duty on frozen French fries (HTS 2004.10.100) should be a priority in the Trans-Pacific Partnership (TPP) market access negotiations with Japan.

Japan is the largest export market for frozen French fries among the TPP countries. The United States is by far the largest supplier of French fries to Japan, and Japanese imports of U.S. frozen French fries have increased steadily over the past four years. Tariff elimination in the context of the TPP is important for the U.S. to remain competitive against other suppliers, like Canada, Belgium and China.

Potential Increase in U.S. Exports: **$50-75 million**

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2014 NATIONAL TRADE ESTIMATE REPORT

Docket USTR-2013-0027

Country:	**Thailand**
Commodities:	**Frozen French Fried Potatoes**
Classification Number:	**HTS 2004.10**
Import Policies:	
Tariffs and Other Import Charges:	**30% ad valorem**

Thailand's tariff on frozen french fries is among the world's highest. U.S. exporters are at a significant disadvantage to suppliers in Australia and New Zealand, who enjoy a 12% tariff through their FTAs with Thailand. China also has duty-free access to Thailand as a result of the China-ASEAN FTA. As a result, U.S. exporters' share of Thailand's market declined from 54% in 2009 to 43% in 2011.

Thailand does not produce the type of potatoes required for frozen french fries. The elimination of or significant reduction of Thailand's 30% tariff would promote economic growth and increase jobs for restaurants, particularly quick service restaurants who, together with their suppliers, employ thousands of people in Thailand.

Potential Increase in U.S. Exports:	**$25 million - $50 million**

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2014 NATIONAL TRADE ESTIMATE REPORT

Docket USTR-2013-0027

Country: **Vietnam**

Commodities: **Frozen French Fried Potatoes**

Classification Number: **HTS 2004.10.00**

Import Policies:

Tariff: **13% *ad valorem***

In the context of its WTO accession negotiations, Vietnam agreed to lower its 40% tariff on frozen french fried potatoes to 13% over a six-year period. Immediate elimination of the 13% applied tariff upon implementation of the Trans-Pacific Partnership (TPP) agreement is a high industry priority. Vietnam's domestic frozen french fry industry cannot supply the country's growing demand. The rapid expansion of the quick service restaurant industry in Vietnam offers the U.S. industry the potential for more than $25 million in new U.S. exports.

Potential Increase in U.S. Exports: **$25-50 million**

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