Tariff Profiles by Region and Commodity

This section compares bound tariffs (see box, *Bound Tariffs, TRQ Tariffs, and Applied Tariffs: What's the Difference?* for information on different types of tariffs) on agricultural commodities across regional and commodity groupings. The tariff means and medians presented in this report are useful measures to compare the potential levels of protection built into countries' tariff schedules. However, differences between bound and applied tariffs, market conditions, and other policies also influence the actual barrier to market access.[8]

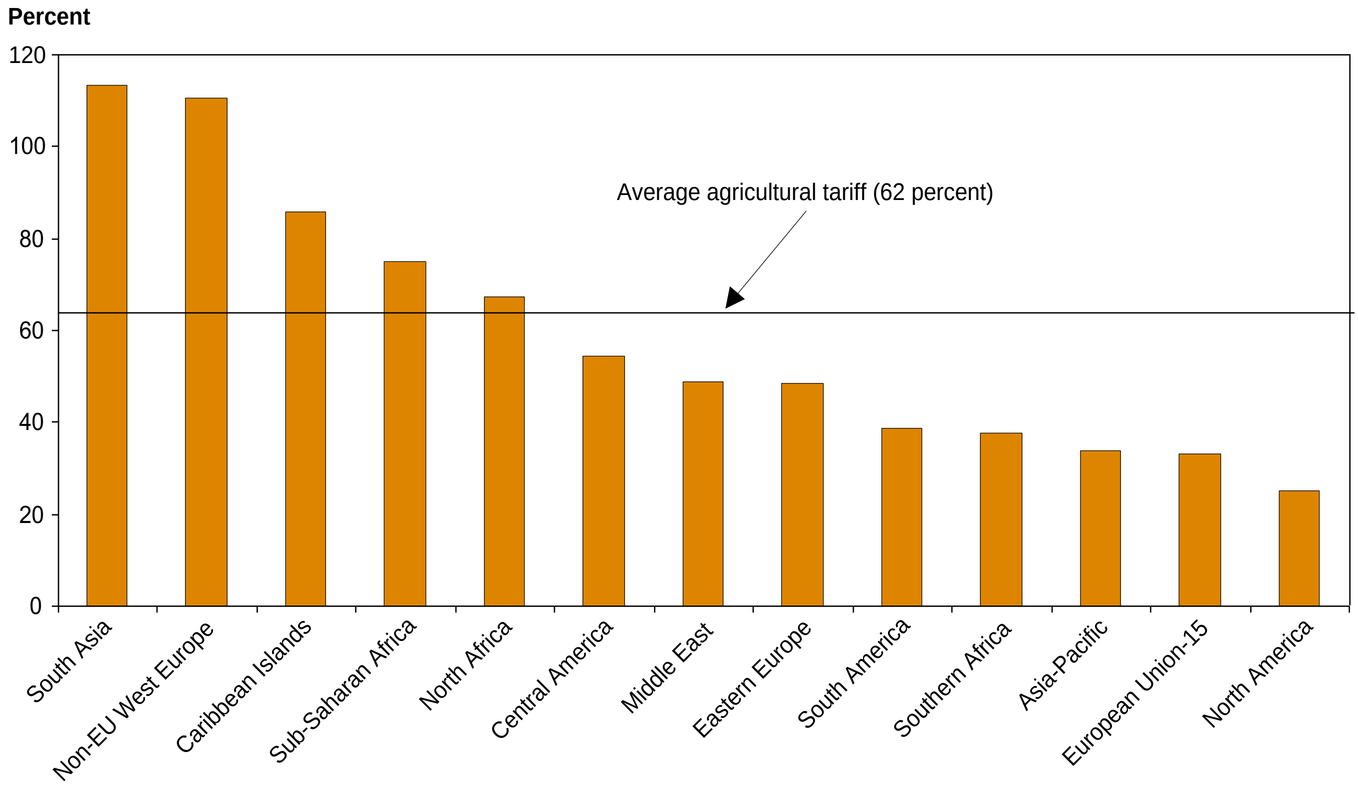
Tariffs by Region

Against a high global average tariff rate of 62 percent, considerable variation exists in tariff levels across regions. Average tariffs for WTO members by region range from an ad valorem tariff equivalent of 25 percent to 113 percent (figure 2). By region, average tariffs in agriculture are over 100 percent in two regions: South Asia (113 percent) and the non-EU countries of Western Europe (104 percent). At 25 percent, North America registered the lowest regional tariff average.

Table 2 displays mean and median tariffs, by regional grouping, for each of the commodity aggregates. For most of the developed country groupings, the regional tariff aggregates are among the lowest regional averages. The main exceptions to this trend are the non-EU countries of Western Europe, which include Norway, Switzerland, and Iceland. Each of these has relatively high average tariffs, at 142, 120, and 113 percent, respectively. Like North America, the EU-15 also registers a relatively low average regional tariff, at 30 percent.

[8] The issue of "water in the tariff," or the condition where a country's domestic price is below the import price plus the tariff, is an example of how market conditions help determine the actual level of protection. State trading enterprises and sanitary and phytosanitary (SPS) measures are examples of policies that can raise the actual level of import protection.

Figure 2
World agricultural tariff averages, by region[1]



[1]Tariffs are bound MFN rates based on final URAA implementation.

Source: Economic Research Service, USDA

Table 2—Mean and median tariffs, by region and commodity group[1]

Commodity	Southern Africa		Asia-Pacific		South Asia		Sub-Saharan Africa		North Africa		Middle East	
	Mean	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*
All commodities	39	37	34	25	113	100	75	80	71	34	48	35
Grains	37	33	60	25	103	100	75	80	84	34	40	15
Grain products	54	41	54	25	117	100	75	80	82	34	45	35
Feed	43	43	22	15	110	100	75	80	32	34	34	15
Starches	9	9	64	30	113	100	75	80	53	34	41	34
Oilseeds	34	40	33	25	110	100	75	80	53	69	36	23
Oilcake	33	33	22	10	112	100	75	80	78	69	39	25
Vegetable oils	81	81	24	23	134	100	75	80	106	34	38	28
Fats & oils	24	20	23	16	128	100	75	80	68	34	36	26
Live animals	0	0	30	21	111	100	75	80	93	34	43	16
Meat: fresh, or frozen other meat	75	75	27	25	111	100	75	80	111	80	50	35
Meat: fresh beef, pork, or poultry	9	76	32	30	113	100	75	80	94	68	62	35
Meat: frozen beef, pork, or poultry	68	69	31	30	110	100	75	80	85	60	62	35
Meat: prepared	44	37	35	25	122	100	75	80	58	34	67	35
Skins & hides	20	20	20	10	101	100	75	80	50	34	39	15
Dairy	37	22	73	30	104	100	75	80	74	87	65	35
Eggs	19	19	28	27	119	100	75	80	36	34	53	35
Fruit: fresh	22	30	30	30	108	100	75	80	36	34	65	35
Fruit: frozen	26	26	30	25	120	100	75	80	34	34	54	53
Fruit: dried & fresh (coconuts, dates & figs)	4	0	26	28	112	100	75	80	34	34	70	35
Fruit: dried (raisins)	23	23	25	25	107	100	75	80	34	34	101	35
Fruit: preparations	37	37	28	28	117	100	75	80	34	34	50	35
Fruit juice	26	26	28	24	107	100	75	80	34	34	59	35
Vegetables: fresh	31	33	31	25	110	100	75	80	30	34	60	35
Vegetables: frozen	37	37	24	19	111	100	75	80	34	34	70	47
Vegetables: frozen or prepared (other)	34	37	38	27	114	100	75	80	35	34	55	35
Vegetables: dried & fresh roots & tubers	7	0	74	25	115	100	75	80	31	34	44	19
Vegetables: dried	36	35	54	25	108	100	75	80	52	34	56	35
Vegetables: preparations	43	43	28	24	109	100	75	80	35	34	59	39
Vegetable juice: tomato	26	26	32	30	107	100	75	80	34	34	98	68
Nuts	18	0	31	25	113	100	75	80	58	34	47	35
Nuts & fruit: dried, fresh, & prepared	38	37	30	25	117	100	75	80	34	34	55	38
Horticulture: live	0	0	23	25	91	100	75	80	34	34	51	20
Horticulture: cut flowers & foliage	49	49	29	30	120	100	75	80	34	34	66	35
Sugar beet	26	26	22	18	110	100	75	80	33	34	38	23
Sugar cane	26	26	24	25	110	100	75	80	32	32	38	23
Sweeteners	22	22	38	30	121	100	75	80	143	168	42	15
Tobacco: unmanufactured	44	44	206	40	110	100	75	80	98	55	58	35
Tobacco: products	54	54	32	30	119	100	75	80	59	35	79	100
Fiber	13	9	21	10	104	100	75	80	43	34	37	15
Food preparations	53	37	33	23	117	100	75	80	63	34	50	35
Coffee	119	119	29	30	118	100	75	80	30	34	33	15
Coffee: other	78	78	32	28	118	100	75	80	33	34	39	35
Tea & tea extracts	51	51	41	30	130	150	75	80	35	34	35	15
Cocoa beans & products	10	17	25	25	115	100	75	80	34	34	37	17
Spices	7	0	24	20	114	100	75	80	34	34	37	21
Essential oils	22	22	22	16	120	100	75	80	100	100	44	35

See footnote at end of table

continued--

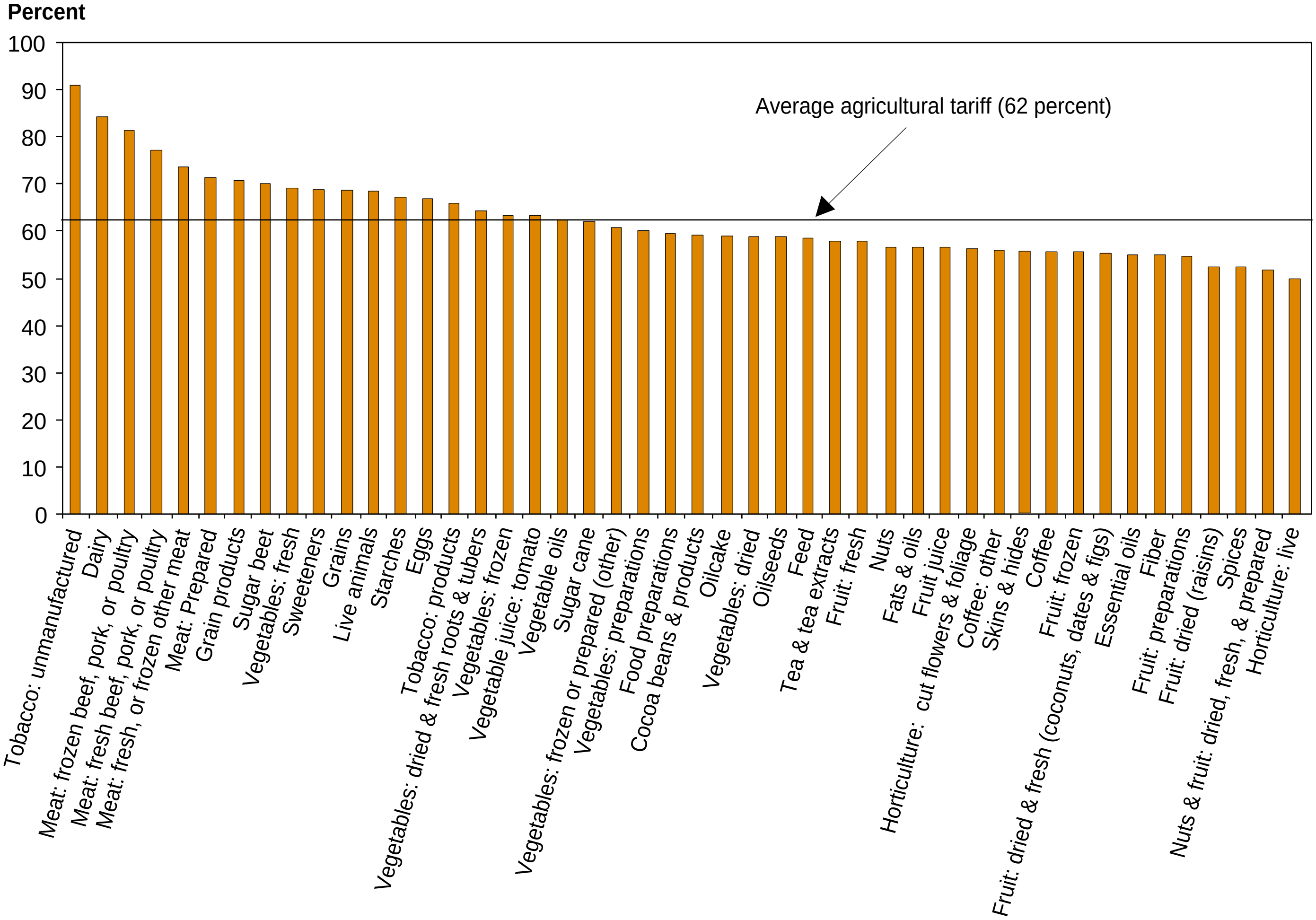
Table 2—Mean and median tariffs, by region and commodity group *(con't)*

Commodity	Eastern Europe		Non-EU West Europe		European Union-15		South America		Central America		Caribbean Islands		North America	
	Mean	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*
All commodities	49	20	104	45	30	13	39	35	54	45	86	100	25	6
Grains	47	20	100	50	53	63	46	35	55	45	86	100	25	3
Grain products	65	35	122	53	48	45	40	35	50	40	86	100	19	5
Feed	17	2	131	50	47	11	39	35	50	40	86	100	23	3
Starches	49	35	93	45	24	20	38	35	53	40	86	100	14	7
Oilseeds	14	2	90	50	0	0	37	35	42	40	86	100	18	0
Oilcake	9	0	81	45	3	0	40	35	45	35	86	100	13	3
Vegetable oils	34	9	95	88	13	6	39	35	72	60	79	100	17	8
Fats & oils	33	13	85	50	10	3	38	35	53	43	81	100	28	8
Live animals	65	29	233	70	30	22	34	30	48	40	88	100	21	2
Meat: fresh, or frozen other meat	69	17	206	177	70	74	38	35	53	40	86	100	10	1
Meat: fresh beef, pork, or poultry	90	39	274	50	41	27	43	35	68	60	91	100	49	26
Meat: frozen beef, pork, or poultry	82	43	309	310	66	38	43	35	86	60	90	100	80	27
Meat: prepared	74	39	282	219	43	26	41	35	55	45	90	100	41	6
Skins & hides	45	1	22	10	0	0	37	35	59	50	86	100	6	0
Dairy	85	51	230	93	87	70	43	35	68	60	87	100	85	45
Eggs	49	26	189	61	22	24	38	35	51	40	86	100	60	38
Fruit: fresh	39	15	51	20	21	12	40	35	52	40	86	100	10	2
Fruit: frozen	39	17	34	40	20	21	40	35	52	40	86	100	17	10
Fruit: dried & fresh (coconuts, dates & figs)	14	18	21	20	4	6	41	35	55	45	86	100	15	5
Fruit: dried (raisins)	16	2	19	10	2	2	38	35	49	40	86	100	7	2
Fruit: preparations	49	20	48	45	21	21	39	35	52	40	86	100	12	7
Fruit juice	66	20	49	22	37	22	37	35	48	45	86	100	12	3
Vegetables: fresh	28	13	175	50	16	10	41	35	54	45	86	100	11	3
Vegetables: frozen	47	19	146	51	14	15	39	35	45	40	86	100	17	10
Vegetables: frozen or prepared (other)	23	9	103	50	18	12	40	35	50	40	86	100	13	10
Vegetables: dried & fresh roots & tubers	32	9	70	45	38	16	39	35	46	40	87	100	11	3
Vegetables: dried	22	18	47	27	2	0	36	30	54	45	86	100	11	3
Vegetables: preparations	47	19	123	50	21	14	38	35	51	40	86	100	12	8
Vegetable juice: tomato	88	26	26	22	16	16	39	35	52	50	86	100	25	25
Nuts	17	8	31	10	5	4	38	35	52	40	86	100	18	4
Nuts & fruit: dried, fresh, & prepared	37	10	49	32	16	17	38	35	51	40	86	100	11	6
Horticulture: live	8	2	67	17	5	7	33	30	47	40	86	100	1	1
Horticulture: cut flowers & foliage	34	17	91	45	5	3	36	35	45	40	86	100	13	7
Sugar beet	49	30	144	48	349	349	38	35	45	38	86	100	12	0
Sugar cane	34	15	99	45	56	56	38	35	45	38	86	100	12	1
Sweeteners	73	60	82	50	59	57	39	35	65	60	86	100	50	10
Tobacco: unmanufactured	42	51	28	30	14	11	38	35	64	74	86	100	28	5
Tobacco: products	64	55	29	23	38	34	38	35	66	74	86	100	112	13
Fiber	40	3	23	3	0	0	37	35	59	45	86	100	12	3
Food preparations	48	30	105	47	15	13	36	35	48	40	85	100	30	11
Coffee	22	13	20	9	6	8	38	35	50	40	86	100	18	0
Coffee: other	25	18	37	22	10	12	38	35	57	45	86	100	19	1
Tea & tea extracts	19	25	23	5	2	0	38	35	54	45	86	100	14	0
Cocoa beans & products	61	13	84	41	17	15	36	35	55	45	86	100	28	18
Spices	14	9	26	40	2	0	38	35	50	40	86	100	8	2
Essential oils	24	9	23	3	3	3	31	20	59	60	86	100	14	4

[1] Tariffs are bound MFN rates based on final URAA implementation.
Source: Economic Research Service, USDA.

Figure 3

World agricultural tariff averages, by commodity[1]



[1]Tariffs are bound MFN rates based on final URAA implementation.

Source: Economic Research Service, USDA

The average tariff of the Asia-Pacific region of 34 percent conceals a wide range of country averages. Average tariffs of 10 percent or less are registered for Singapore, Hong Kong, Macau, Australia, and New Zealand. However, tariffs for Japan and Korea average 58 percent and 66 percent, respectively. Most of the remaining countries in the region maintain tariffs of 25 to 45 percent.

With the exception of the high tariff region of non-EU Western Europe, the regional groupings with the highest average tariffs are regions that comprise non-OECD countries. The developing country regions of Africa, the Caribbean, and South Asia, with averages ranging from 71 to 113 percent, are all above the global average rate of 62 percent. The regions of South America, the Middle East, and Central America all have tariff averages ranging from 39 to 54 percent.

Within most regional groups, the tariff means across commodity groupings tend to show a high degree of variation. In the three European regional groupings, as well as in North America, North Africa, and the Asia-Pacific region, there is a high dispersion rate across commodity means. In particular, tariffs greater than the overall average tariff on agriculture of 62 percent are found in the meat, dairy, sugar, and sweetener categories. In addition, in some regions, comparatively high tariffs are recorded for tobacco, oils, and several categories of prepared vegetables.

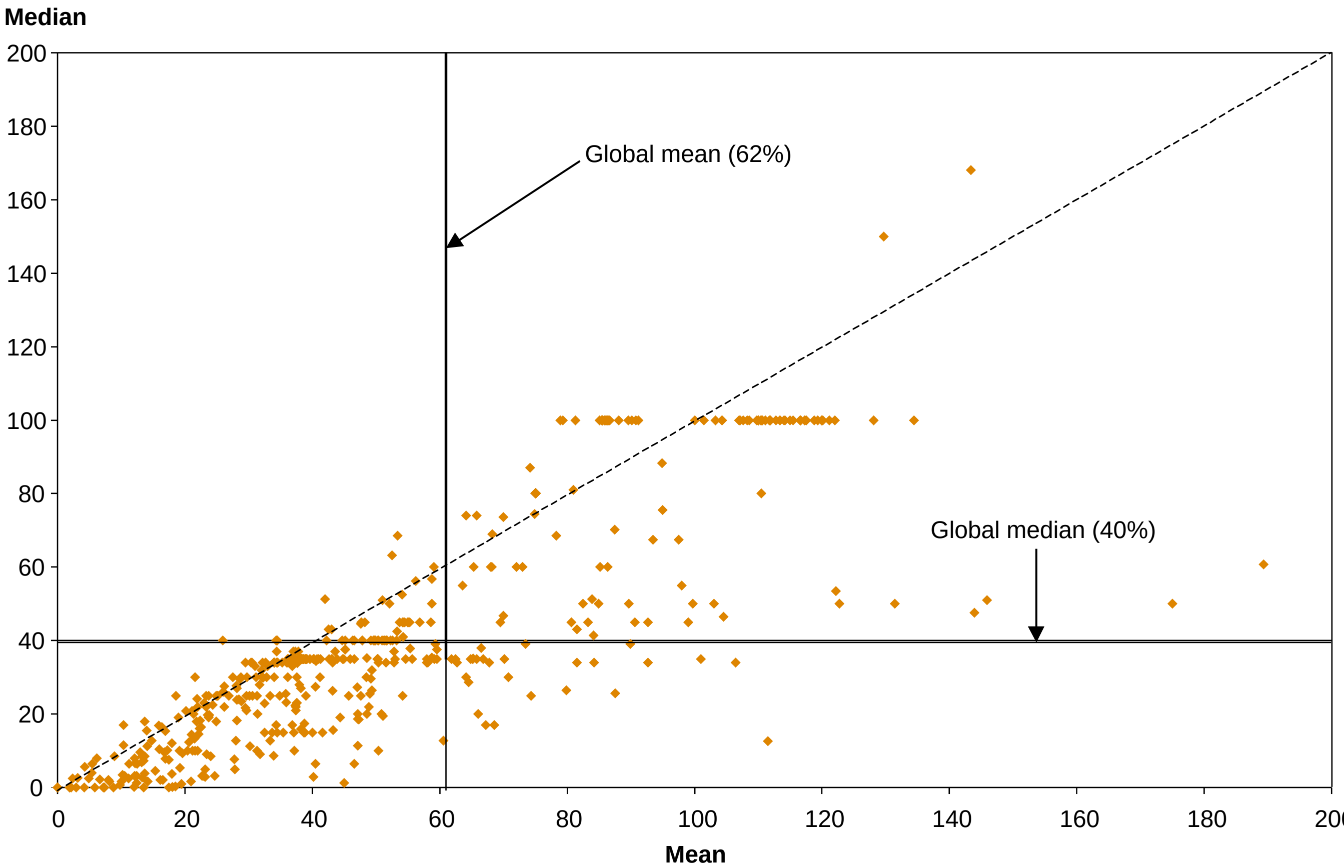
In a few regions, tariffs tend to be rather uniform, with average rates across commodity groups varying little from the regional averages. The average rate of 75 percent found across all commodities in Sub-Saharan Africa, for example, reflects the fact that each country in the region set a uniform tariff rate across the entirety of its agricultural tariff schedule. While these uniform rates differ by country, when averaged across commodity groupings, the mean tariffs are identical for each. In South Asia, Central America, and South America, mean tariffs across the commodity groupings are also relatively close to the overall regional averages.

Tariffs by Commodity

Figure 3 compares average tariffs by commodity group for all WTO members reviewed in this report. Of the 46 commodity aggregates listed, average tariffs on 18 of the groups are above the global agricultural tariff rate of 62 percent. These commodity groups are made up of tobacco, dairy, meats, sugar, sweeteners, several categories of vegetables, grains, grain products, and breeding animals. Tariffs on the remaining 28 commodity groups are at or below the 62-percent average tariff. At rates of more than 50 percent, commodity groups with the lowest tariffs (coffee, fiber, several fruit categories, spices, and live horticulture), are nevertheless all relatively high. These high global tariff rates across all commodity groupings reflect the high tariffs found in many developing countries' WTO schedules.

Table 2 also reveals regional patterns in tariff protection by commodity. For North America and the EU, tariffs on most of the commodity groups are below each region's respective average tariff. Commodities with tariffs below regional means in both the EU and North America include live breeding animals, coffee, fiber, fruit, nuts, oilseeds and oilcake, skins and hides, spices, tea, and vegetables. Unmanufactured tobacco in the Asia-Pacific region and sweeteners in North Africa have the highest tariffs for any commodity category in the respective regions.

Figure 4
High protection evident in global mean, median pairs[1]



[1]Tariffs are bound MFN rates based on final URAA implementation.

Source: Economic Research Service, USDA

Means and Medians across Commodities and Regions

Several patterns emerge from comparing means and medians across the regional and commodity averages. Figure 4 plots all the entries in table 2 where the mean falls within 200 percent (this excludes only eight regional-commodity points). The mean is on the horizontal axis and the median is on the vertical axis. The global mean and median are marked with solid lines. They divide the figure into four quadrants that correspond to the categories presented in the methodology section, e.g., low mean/low median in the lower left-hand corner, high mean/high median in the upper right-hand corner. The dashed line at a 45-degree angle shows where the mean equals the median.

Several observations from figure 4 help characterize the global pattern of protection. First, most tariffs lie below the 45-degree line, indicating that high tariffs on a few specific lines are one cause of high overall averages. This is also reflected in a global median of 40 percent that lies below the global mean. The distance below the 45-degree line is an indicator of the magnitude of the influence of megatariffs on the mean value. For example, the point with a mean of 87 and a median of 70 represents EU dairy and shows that tariffs are high across most specific products. In contrast, the point 88, 26 represents Eastern Europe vegetable

Commodity and Country Snapshots[1]

Figure 5a
Low tariffs in North America

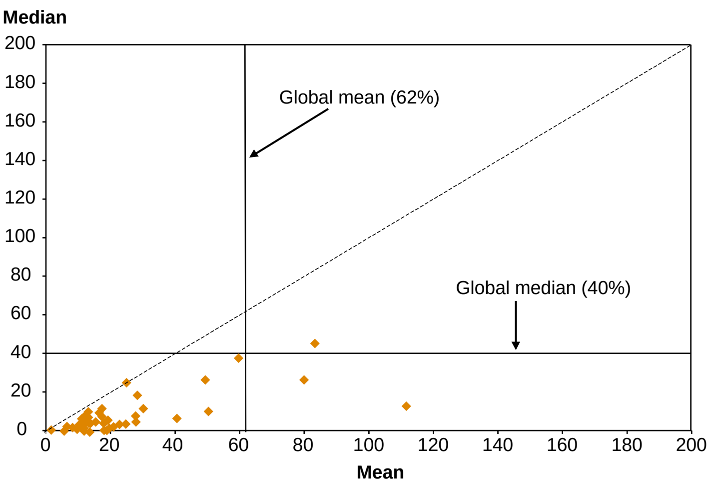


Figure 5c
Megatariffs' importance shown in dairy tariffs

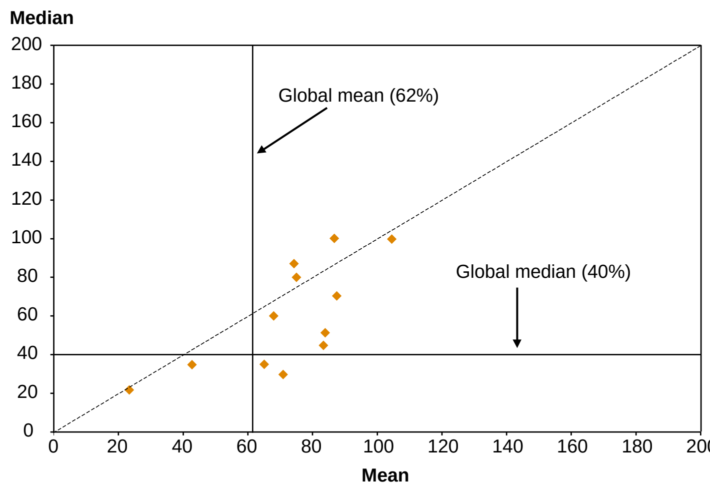


Figure 5b
High tariffs protect traditional sectors in EU

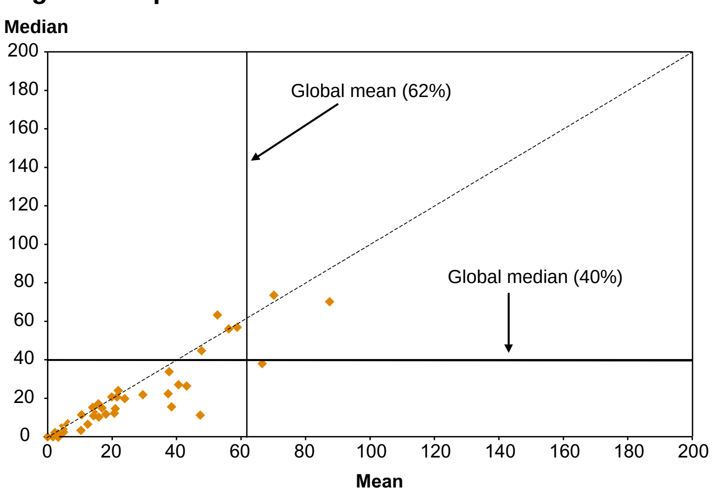
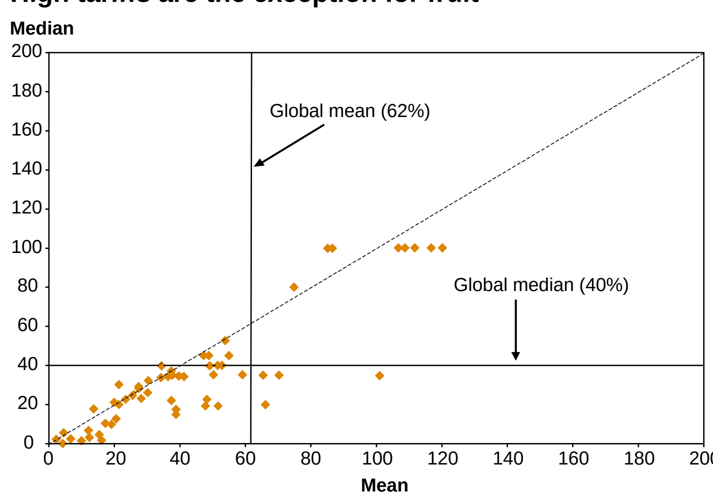


Figure 5d
High tariffs are the exception for fruit



[1]Tariffs are bound MFN rates based on final URAA implementation.

Source: Economic Research Service, USDA

juice (tomato) and indicates that a few, very high tariffs distort the average.

The large number of tariffs in the low mean/low median category indicate that the majority of commodity averages for these regions lie below the global average. A comparison with the global average manufacturing tariff of 5 percent (Hertel and Martin) makes the point that all but a very few regional, commodity pairs lie above this average. Although relatively smaller in number, the scatter plot shows that a significant number of commodity groups across regions have high and likely prohibitive tariffs. Thus, the problem of high tariffs is not isolated in a small number of countries and commodities.

Figures 5a-5d show how scatter plots of means and medians can help uncover patterns of protection for both countries and commodities. Figures 5a and 5b display the commodity mean and median combinations for North America and the EU. Both regions have a small number of commodities with tariffs above the global average: meats, dairy, sugar (EU only), and tobacco products (North America only). EU tariffs on fresh meat and dairy have a higher median value indicating that a larger percentage of the tariff lines have high tariffs. Comparison of the two charts also shows that both countries have a large number of commodity categories with average tariffs of 20 percent or less, although North America has the largest number. Although no charts are included for the Asia-Pacific region, examination of data for this region shows a similar pattern to North America and the EU with the highest levels of protection applied selectively, within a commodity grouping. A different pattern emerges for Central and South America, where tariff means are clustered in a smaller range. Many countries in the Central and South America region also show tariff medians that are at levels comparable to the means, suggesting that tariffs are not skewed by a large number of megatariffs. In non-EU Western Europe, and in in developing countries, high levels of protection tend to be specified more broadly across commodity groups.

Differences in the profile of tariffs across countries for dairy compared to fruits are shown in figures 5c and 5d. All but two average tariffs for dairy (South America and Southern Africa) are above the global mean. In addition, the median for each region is close to the mean, indicating that high tariffs exist across most lines. The fruits chart (figure 5d) encompasses six commodity categories and contains more observations than dairy (figure 5c), which is a single commodity category. The means and medians show a different pattern of protection where most tariffs are below the global average and median values lie close to the mean. However, the scatter plot detects the presence of high tariffs, including points in the high mean/low median quadrant that indicate megatariffs that likely isolate domestic industries from international competition—for example, juice in Eastern Europe, and fresh and dried fruit in the Middle East. The high tariffs in the high mean/high median quadrant represent ceiling bindings for Sub-Saharan Africa and South Asia.