

## **APPENDIX B**

### **AGRICULTURAL SAFEGUARD MEASURES OF THE UNITED STATES**

1. This Appendix sets out certain country-specific safeguard measures that the United States may apply, notwithstanding Article 2.4 (Elimination of Customs Duties). For the purposes of this Appendix, the term “metric tonnes” shall be abbreviated as “MT”.
2. The United States shall implement any agricultural safeguard measure under this Appendix in a transparent manner, taking reasonable steps to publicly disclose the volume entering under the safeguard. As soon as practicable after commencing application of an agricultural safeguard measure under this Appendix, the United States shall notify in writing the other Party identified in the chapeau of the paragraph below setting out that safeguard and shall provide that other Party with relevant data concerning the measure. On request, the United States shall consult with that other Party regarding the application of the measure.
3. For the purposes of this Appendix, an originating good shall be deemed to be of the Party identified in the chapeau of the paragraph setting out the safeguard if the United States would apply for that good the rate of customs duty for the originating good of that Party pursuant to:
  - (a) paragraph 8 in Section B (Tariff Differentials) of Annex 2-D (Tariff Commitments), if the relevant tariff item is not listed in Appendix C (Tariff Differentials) to the Schedule of the United States to Annex 2-D (Tariff Commitments); or
  - (b) paragraph 1 or paragraph 2(a), as applicable, of Appendix C (Tariff Differentials) to the Schedule of the United States to Annex 2-D (Tariff Commitments), if the relevant tariff item is listed in that Appendix.

## SG-US1: Country-Specific Safeguard Measure for Australia for Swiss Cheese

4. This paragraph sets out a country-specific safeguard measure for the originating goods of Australia described in subparagraph (f). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US1.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of Australia described in subparagraph (f), provided that the conditions in subparagraphs (b) through (e) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
- (i) the safeguard duty specified in subparagraph (c);
  - (ii) the most-favoured-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.
- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating goods of Australia described in subparagraph (f) if the quantity of imports during such year exceeds the trigger quantity as specified below:

<u>Year</u>	<u>Trigger Quantity (MT)</u>
1	800

In years 2 through 24, the trigger quantity shall increase at a compounded annual growth rate of 3 per cent.

- (c) For purposes of subparagraph (a), the safeguard duty for each year shall be:

Years	Safeguard duty
1-7	MFN rate
8-14	75 per cent of prevailing MFN rate
15-20	50 per cent of prevailing MFN rate
21-24	25 per cent of prevailing MFN rate

- (d) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.

- (e) The United States shall not apply or maintain an agricultural safeguard measure under this paragraph on a good after January 1 of year 25.
- (f) This paragraph applies to the following Table 2 provision: AG04069048.

**SG-US2: Country-Specific Safeguard Measure for Australia for Milk Powders**

5. This paragraph sets out a country-specific safeguard measure for the originating goods of Australia described in subparagraph (f). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US2.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of Australia described in subparagraph (f), provided that the conditions in subparagraphs (b) through (e) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
  - (i) the safeguard duty specified in subparagraph (c);
  - (ii) the most-favoured-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.
- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating goods of Australia described in subparagraph (f) if the quantity of imports during such year exceeds the trigger quantity as specified below:
  - (i) In the year of entry into force of the Agreement as between the United States and Australia, the trigger quantity shall be the in-quota quantity for the goods of Australia described in subparagraph (f) for that year, as set out in paragraph 10(b) of Appendix A to the Schedule of the United States to Annex 2-D (*Tariff Rate Quotas of the United States*), increased by 700 MT.

- (ii) In each subsequent year until year 35, the trigger quantity shall increase at a compounded annual growth rate of 2 per cent.
- (c) For purposes of subparagraph (a), the safeguard duty for each year shall be:

Years	Safeguard duty
1-8	MFN rate
9-17	75 per cent of prevailing MFN rate
18-24	50 per cent of prevailing MFN rate
25-34	25 per cent of prevailing MFN rate

- (d) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.
- (e) The United States shall not apply or maintain an agricultural safeguard measure under this paragraph on a good after January 1 of year 35.
- (f) This paragraph applies to the following Table 2 provisions: AG04021050, AG04022125, AG04022150, AG04039045, AG04039055, AG04041090, AG23099028 and AG23099048.

**SG-US3: Country-Specific Safeguard Measure for New Zealand for Other Cheese**

6. This paragraph sets out a country-specific safeguard measure for the originating goods of New Zealand described in subparagraph (f). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US3.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of New Zealand described in subparagraph (f), provided that the conditions in subparagraphs (b) through (e) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
  - (i) the safeguard duty specified in subparagraph (c);
  - (ii) the most-favoured-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.

- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating goods of New Zealand described in subparagraph (f) if the quantity of imports during such year exceeds the trigger quantity as specified below:

Year	Trigger Quantity (MT)
1	4,000
2	4,545
3	5,091
4	5,636
5	6,182
6	6,727
7	7,273
8	7,818
9	8,364
10	8,909
11	9,455
12	10,000

In years 13 through 24, the trigger quantity shall increase at a compounded annual growth rate of 3 per cent.

- (c) For purposes of subparagraph (a), the safeguard duty for each year shall be:

Years	Safeguard duty
1-7	MFN rate
8-14	75 per cent of prevailing MFN rate
15-20	50 per cent of prevailing MFN rate
21-24	25 per cent of prevailing MFN rate

- (d) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.
- (e) The United States shall not apply or maintain an agricultural safeguard measure under this paragraph on a good after January 1 of year 25.
- (f) This paragraph applies to the following Table 2 provision: AG04069097.

#### **SG-US4: Country-Specific Safeguard Measure for New Zealand for Whole Milk Powder**

7. This paragraph sets out a country-specific safeguard measure for the originating goods of New Zealand described in subparagraph (f). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US4.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of New Zealand described in subparagraph (f), provided that the conditions in subparagraphs (b) through (e) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
  - (i) the safeguard duty specified in subparagraph (c);
  - (ii) the most-favoured-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.
- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating goods of New Zealand described in subparagraph (f) if the quantity of imports during such year exceeds the trigger quantity as specified below:

Year	Trigger Quantity (MT)
1	3,000
2	3,364
3	3,727
4	4,091
5	4,455
6	4,818
7	5,182
8	5,545
9	5,909
10	6,273
11	6,636
12	7,000

In years 13 through 34, the trigger quantity shall increase at a compounded annual growth rate of 3 per cent.

- (c) For purposes of subparagraph (a), the safeguard duty for each year shall be:

Years	Safeguard duty
1-8	MFN rate
9-17	75 per cent of prevailing MFN rate
18-24	50 per cent of prevailing MFN rate
25-34	25 per cent of prevailing MFN rate

- (d) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.
- (e) The United States shall not apply or maintain an agricultural safeguard measure under this paragraph on a good after January 1 of year 35.
- (f) This paragraph applies to the following Table 2 provisions: AG04022150, AG04039045, AG04039055, AG04041090, AG23099028 and AG23099048.

**SG-US5: Country-Specific Safeguard Measure for Peru for Condensed and Evaporated Milk**

8. This paragraph sets out a country-specific safeguard measure for the originating goods of Peru described in subparagraph (g). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US5.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of Peru described in subparagraph (g), provided that the conditions in subparagraphs (b) through (f) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
- (i) the base tariff rate provided in the Schedule of the United States to Annex 2-D;
  - (ii) the most-favoured-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.
- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating goods of Peru described in subparagraph (g) if the quantity of imports during such year of:
- (i) such goods; and
  - (ii) goods imported into the United States under the *United States-Peru Trade Promotion Agreement* under tariff items 04029170, 04029190, 04029945, and 04029955,
- when combined, exceeds the trigger quantity as set out in subparagraph (f).
- (c) The additional duty under subparagraph (a) shall be set according to subparagraph (h).
- (d) The United States shall not apply or maintain an agricultural safeguard measure on originating goods of Peru described in subparagraph (g) on or after the date that the good is subject to duty-free treatment under the Schedule of the United States to Annex 2-D.
- (e) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.
- (f) The safeguard trigger quantity in any year shall be determined by multiplying the in-quota quantity for the goods of Peru described in subparagraph (g) for that year, as set out in Appendix A to the Schedule of the United States to Annex 2-D, by 130 per cent.



- (g) This paragraph applies to the following Table 2 provisions: AG04029170, AG04029190, AG04029945 and AG04029955.
- (h) For purposes of subparagraph (c), the additional import duties shall be:
  - (i) In 2016 through 2020, less than or equal to 100 per cent of the difference between the limit provided in subparagraph (a) and the applicable tariff rate provided in the Schedule of the United States to Annex 2-D; and
  - (ii) In 2021 through 2024, less than or equal to 50 per cent of the difference between the limit provided in subparagraph (a) and the applicable tariff rate provided in the Schedule of the United States to Annex 2-D.

#### **SG-US6: Country-Specific Safeguard Measure for Peru for Cheese**

9. This paragraph sets out a country-specific safeguard measure for the originating goods of Peru described in subparagraph (g). The safeguard measure is designated in the Schedule of the United States to Annex 2-D with the designation SG-US6.

- (a) Notwithstanding Article 2.4 (Elimination of Customs Duties), the United States may apply an agricultural safeguard measure in the form of an additional import duty on originating goods of Peru described in subparagraph (g), provided that the conditions in subparagraphs (b) through (f) are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:
  - (i) the base tariff rate provided in the Schedule of the United States to Annex 2-D;
  - (ii) the most-favored-nation (MFN) applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement for the United States; or
  - (iii) the prevailing MFN applied rate of duty.
- (b) The United States may apply an agricultural safeguard measure during any calendar year on originating agricultural goods of Peru described in subparagraph (g) if the quantity of imports during such year of:
  - (i) such goods; and

- (ii) goods imported into the United States under the *United States-Peru Trade Promotion Agreement* under tariff items 04061008, 04061018, 04061028, 04061038, 04061048, 04061058, 04061068, 04061078, 04061088, 04062028, 04062033, 04062039, 04062048, 04062053, 04062063, 04062067, 04062071, 04062075, 04062079, 04062083, 04062087, 04062091, 04063018, 04063028, 04063038, 04063048, 04063053, 04063063, 04063067, 04063071, 04063075, 04063079, 04063083, 04063087, 04063091, 04064070, 04069012, 04069018, 04069032, 04069037, 04069042, 04069048, 04069054, 04069068, 04069074, 04069078, 04069084, 04069088, 04069092, 04069094, 04069097 and 19019036,

when combined, exceeds the trigger quantity as set out in subparagraph (f).

- (c) The additional duty under subparagraph (a) shall be set according to subparagraph (h).
- (d) The United States shall not apply or maintain an agricultural safeguard measure on originating goods of Peru described in subparagraph (g) on or after the date that the good is subject to duty-free treatment under the Schedule of the United States to Annex 2-D.
- (e) The United States may maintain an agricultural safeguard measure under this paragraph only until the end of the calendar year.
- (f) The agricultural safeguard trigger quantity in any year shall be determined by multiplying the in-quota quantity for the goods of Peru described in subparagraph (g) for that year, as set out in Appendix A to Schedule of the United States to Annex 2-D, by 130 per cent.
- (g) This paragraph applies to the following Table 2 provisions:  
AG04061008, AG04061018, AG04061028, AG04061038,  
AG04061048, AG04061058, AG04061068, AG04061078,  
AG04061088, AG04062028, AG04062033, AG04062039,  
AG04062048, AG04062053, AG04062063, AG04062067,  
AG04062071, AG04062075, AG04062079, AG04062083,  
AG04062087, AG04062091, AG04063018, AG04063028,  
AG04063038, AG04063048, AG04063053, AG04063063,  
AG04063067, AG04063071, AG04063075, AG04063079,  
AG04063083, AG04063087, AG04063091, AG04064070,  
AG04069012, AG04069018, AG04069032, AG04069037,

AG04069042, AG04069048, AG04069054, AG04069068, AG04069074, AG04069078, AG04069084, AG04069088, AG04069092, AG04069094, AG04069097 and AG19019036.

- (h) For purposes of subparagraph (c), the additional import duties shall be:
- (i) In 2016 through 2020, less than or equal to 100 per cent of the difference between the limit provided in subparagraph (a) and the applicable tariff rate provided in the Schedule of the United States to Annex 2-D; and
  - (ii) In 2021 through 2024, less than or equal to 50 per cent of the difference between the limit provided in subparagraph (a) and the applicable tariff rate provided in the Schedule of the United States to Annex 2-D.

**Table 2**

<b><u>Heading</u></b>	<b><u>Article Description</u></b>
<b>AG04021050</b>	Provided for in tariff item 04021050
<b>AG04022125</b>	Provided for in tariff item 04022125
<b>AG04022150</b>	Provided for in tariff item 04022150
<b>AG04029170</b>	Provided for in tariff item 04029170
<b>AG04029190</b>	Provided for in tariff item 04029190
<b>AG04029945</b>	Provided for in tariff item 04029945
<b>AG04029955</b>	Provided for in tariff item 04029955
<b>AG04039045</b>	Provided for in tariff item 04039045
<b>AG04039055</b>	Provided for in tariff item 04039055
<b>AG04041090</b>	Provided for in tariff item 04041090
<b>AG04061008</b>	Provided for in tariff item 04061008
<b>AG04061018</b>	Provided for in tariff item 04061018
<b>AG04061028</b>	Provided for in tariff item 04061028
<b>AG04061038</b>	Provided for in tariff item 04061038
<b>AG04061048</b>	Provided for in tariff item 04061048
<b>AG04061058</b>	Provided for in tariff item 04061058
<b>AG04061068</b>	Provided for in tariff item 04061068
<b>AG04061078</b>	Provided for in tariff item 04061078
<b>AG04061088</b>	Provided for in tariff item 04061088
<b>AG04062028</b>	Provided for in tariff item 04062028
<b>AG04062033</b>	Provided for in tariff item 04062033
<b>AG04062039</b>	Provided for in tariff item 04062039
<b>AG04062048</b>	Provided for in tariff item 04062048
<b>AG04062053</b>	Provided for in tariff item 04062053
<b>AG04062063</b>	Provided for in tariff item 04062063
<b>AG04062067</b>	Provided for in tariff item 04062067

<b>AG04062071</b>	Provided for in tariff item 04062071
<b>AG04062075</b>	Provided for in tariff item 04062075
<b>AG04062079</b>	Provided for in tariff item 04062079
<b>AG04062083</b>	Provided for in tariff item 04062083
<b>AG04062087</b>	Provided for in tariff item 04062087
<b>AG04062091</b>	Provided for in tariff item 04062091
<b>AG04063018</b>	Provided for in tariff item 04063018
<b>AG04063028,</b>	Provided for in tariff item 04063028
<b>AG04063038</b>	Provided for in tariff item 04063038
<b>AG04063048</b>	Provided for in tariff item 04063048
<b>AG04063053</b>	Provided for in tariff item 04063053
<b>AG04063063</b>	Provided for in tariff item 04063063
<b>AG04063067</b>	Provided for in tariff item 04063067
<b>AG04063071</b>	Provided for in tariff item 04063071
<b>AG04063075</b>	Provided for in tariff item 04063075
<b>AG04063079</b>	Provided for in tariff item 04063079
<b>AG04063083</b>	Provided for in tariff item 04063083
<b>AG04063087</b>	Provided for in tariff item 04063087
<b>AG04063091</b>	Provided for in tariff item 04063091
<b>AG04064070</b>	Provided for in tariff item 04064070
<b>AG04069012</b>	Provided for in tariff item 04069012
<b>AG04069018</b>	Provided for in tariff item 04069018
<b>AG04069032</b>	Provided for in tariff item 04069032
<b>AG04069037</b>	Provided for in tariff item 04069037
<b>AG04069042</b>	Provided for in tariff item 04069042
<b>AG04069048</b>	Provided for in tariff item 04069048
<b>AG04069054</b>	Provided for in tariff item 04069054
<b>AG04069068</b>	Provided for in tariff item 04069068
<b>AG04069074</b>	Provided for in tariff item 04069074
<b>AG04069078</b>	Provided for in tariff item 04069078
<b>AG04069084</b>	Provided for in tariff item 04069084
<b>AG04069088</b>	Provided for in tariff item 04069088
<b>AG04069092</b>	Provided for in tariff item 04069092
<b>AG04069094</b>	Provided for in tariff item 04069094
<b>AG04069097</b>	Provided for in tariff item 04069097
<b>AG19019036</b>	Provided for in tariff item 19019036
<b>AG23099028</b>	Provided for in tariff item 23099028
<b>AG23099048</b>	Provided for in tariff item 23099048