

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:

Year	Trigger Quantity (MT)
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

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

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