

Appendix C

Tariff Schedule of Canada - (Tariff Rate Quotas)

Section A – General Provisions

1. This Appendix sets out the modifications to the Schedule to Canada's *Customs Tariff* that reflect the tariff rate quotas (TRQs) that Canada shall apply to certain originating goods under this Agreement. In particular, originating goods of the United States included under this Appendix shall be subject to the rates of duty set out in this Appendix in lieu of the rates of duty specified in Chapters 1 through 97 of the Schedule to Canada's *Customs Tariff*. Notwithstanding any other provision of Canada's *Customs Tariff*, originating goods under this Agreement in the quantities described in this Appendix shall be permitted entry into the territory of Canada as provided in this Appendix. Furthermore, unless specified otherwise in this Schedule, any quantity of originating goods imported from a Party under a TRQ provided for in this Appendix shall not be counted toward the in-quota quantity of any TRQ provided for such goods under Canada's WTO tariff schedule or any other trade agreement.

2. The product or products covered by each TRQ set out in Section B are informally identified in the title to the paragraph setting out the TRQ. These titles are included solely to assist readers in understanding this Appendix and shall not alter or supersede the coverage established through identification of covered codes of Canada's *Customs Tariff*.

3. The WTO within-access commitment rate of customs duty for tariff items set out in paragraphs 4, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 shall remain duty-free for the United States.

4. If Canada maintains or introduces tariff rate quotas under Canada's WTO tariff schedule on any of the following goods, Canada shall permit the importation of such goods as follows:

- (a) the level of global import quota on turkey and turkey products, as defined in Section C, for any given year shall be no less than 3.5 percent of the previous year's domestic turkey production in Canada.

Except for a period of 10 years after the entry into force of this Agreement, Canada shall calculate the difference, in any given year, between:

- (i) 3.5 percent of the previous year's domestic turkey production in Canada;
and
- (ii) 3.5 percent of that year's Canadian domestic turkey production quota.

If (i) exceeds (ii) by 1,000 metric tons or more, Canada may restrict the level of global import quota on turkey and turkey products for that quota year to no more than 3.5 percent of that year's Canadian domestic turkey production quota plus 1,000 metric tons;

(b) the combined level of global import quotas on broiler hatching eggs and chick products, as defined in Section C, for any given year shall be no less than 21.1 percent of the estimated Canadian domestic production of broiler hatching eggs for that year. This estimate will be adjusted and finalized on the first of August of each year. This combined annual access level is subdivided into separate and distinct access levels for broiler hatching eggs and for chicks for broiler production such that the annual access level for broiler hatching eggs shall be equivalent to 17.4 percent of Canadian domestic broiler hatching egg production and the annual access level for egg-equivalent chicks shall be 3.7 percent of Canadian domestic broiler hatching egg production. Canada shall permit any person who has received an allocation of annual access for broiler hatching eggs to convert any proportion of said allocation into an allocation for chick imports at a conversion rate such that 1.27 broiler hatching eggs are equal to 1 chick. Chick import allocations may not be converted into egg import allocations, unless agreed by both Parties in advance in writing.

5. Canada shall administer all TRQs provided for in this Agreement and set out in Section B of this Appendix according to the following provisions:

(a) Canada shall administer its TRQs through an import licensing system.

(b) Quota year” in this appendix means the 12-month period over which a TRQ applies and is allocated.

6. Canada’s TRQs shall apply to originating goods.

7. For the purposes of this Appendix, the term “metric tons” shall be abbreviated as “MT”.

Section B – TRQs

8. TRQ-CA1: Milk

- (a) The aggregate quantity of originating goods described in subparagraph (c) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	8,333
2	16,667
3	25,000
4	33,333
5	41,667
6	50,000
7	50,500
8	51,005
9	51,515
10	52,030
11	52,551
12	53,076
13	53,607
14	54,143
15	54,684
16	55,231
17	55,783
18	56,341
19	56,905

Starting in year 19, the quantity shall remain at 56,905 MT per year.

- (b) Canada shall apply the following provisions in the administration of this TRQ:

(i) Up to 85 per cent of the TRQ quantities set out in subparagraph (a) shall be for the importation of milk in bulk (not for retail sale) to be processed into dairy products used as ingredients for further food processing (secondary manufacturing).

(ii) Any remainder of the TRQ quantities set out in subparagraph (a) shall be for the importation of any milk.

- (c) This paragraph applies to the following tariff items: 0401.10.10 and 0401.20.10.

- (d) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

9. TRQ-CA2: Cream

(a) The aggregate quantity of originating goods described in subparagraph (c) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	1,750
2	3,500
3	5,250
4	7,000
5	8,750
6	10,500
7	10,605
8	10,711
9	10,818
10	10,926
11	11,036
12	11,146
13	11,257
14	11,370
15	11,484
16	11,599
17	11,715
18	11,832
19	11,950

Starting in year 19, the quantity shall remain at 11,950 MT per year.

(b) Canada shall apply the following provisions in the administration of this TRQ:

(i) up to 85 per cent of the TRQ quantities set out in subparagraph (a) shall be for the importation of cream in bulk (not for retail sale) to be processed into dairy products used as ingredients for further food processing (secondary manufacturing).

(ii) Any remainder of the TRQ quantities set out in subparagraph (a) shall be for the importation of any cream.

(c) This paragraph applies to the following tariff items: 0401.40.10, and 0401.50.10.

(d) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

10. TRQ-CA3: Skim Milk Powder

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	1,250
2	2,500
3	3,750
4	5,000
5	6,250
6	7,500
7	7,575
8	7,651
9	7,727
10	7,805
11	7,883
12	7,961
13	8,041
14	8,121
15	8,203
16	8,285
17	8,368
18	8,451
19	8,536

Starting in year 19, the quantity shall remain at 8,536 MT per year.

(b) This paragraph applies to the following tariff item: 0402.10.10.

(c) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

11. TRQ-CA4: Butter and Cream Powder

(a) The aggregate quantity of originating goods described in subparagraph (c) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	750
2	1,500
3	2,250
4	3,000
5	3,750
6	4,500

Quota Year Aggregate Quantity (MT)

7	4,545
8	4,590
9	4,636
10	4,683
11	4,730
12	4,777
13	4,825
14	4,873
15	4,922
16	4,971
17	5,021
18	5,071
19	5,121

Starting in year 19, the quantity shall remain at 5,121 MT per year.

(b) Canada shall apply the following provision in the administration of this TRQ:

(i) Up to 85 per cent in year 1 of the TRQ quantities set out in subparagraph (a) shall be for the importation of goods in bulk (not for retail sale) used as ingredients for further food processing (secondary manufacturing), reducing to 50 per cent of the TRQ quantities over five years

(ii) Any remainder of the TRQ quantities set out in subparagraph (a) shall be for the importation of any butter or cream powder.

(c) This paragraph applies to the following tariff items: 0405.10.10, 0405.20.10, 0405.90.10, 0402.21.21 and 0402.29.21.

(d) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

12. TRQ-CA5: Industrial Cheeses

(a) The aggregate quantity of originating goods described in subparagraph (c) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	1,042
2	2,083
3	3,125
4	4,167
5	5,208

Quota Year Aggregate Quantity (MT)

6	6,250
7	6,313
8	6,376
9	6,439
10	6,504
11	6,569
12	6,635
13	6,701
14	6,768
15	6,836
16	6,904
17	6,973
18	7,043
19	7,113

Starting in year 19, the quantity shall remain at 7,113 MT per year.

(b) Only goods in bulk (not for retail sale) used as ingredients for further food processing (secondary manufacturing) shall be imported under this TRQ.

(c) This paragraph applies to the following tariff items: 0406.10.10, 0406.20.11, 0406.20.91, 0406.30.10, 0406.40.10, 0406.90.11, 0406.90.21, 0406.90.31, 0406.90.41, 0406.90.51, 0406.90.61, 0406.90.71, 0406.90.81, 0406.90.91, 0406.90.93, 0406.90.95, and 0406.90.98.

(d) This TRQ shall be allocated on a calendar year basis.

13. TRQ-CA6: Cheeses of All Types

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	1,042
2	2,083
3	3,125
4	4,167
5	5,208
6	6,250
7	6,313
8	6,376

Quota Year Aggregate Quantity (MT)

9	6,439
10	6,504
11	6,569
12	6,635
13	6,701
14	6,768
15	6,836
16	6,904
17	6,973
18	7,043
19	7,113

Starting in year 19, the quantity shall remain at 7,113 MT per year.

(b) This paragraph applies to the following tariff items: 0406.10.10, 0406.20.11, 0406.20.91, 0406.30.10, 0406.40.10, 0406.90.11, 0406.90.21, 0406.90.31, 0406.90.41, 0406.90.51, 0406.90.61, 0406.90.71, 0406.90.81, 0406.90.91, 0406.90.93, 0406.90.95, and 0406.90.98.

(c) This TRQ shall be allocated on a calendar year basis.

14. TRQ-CA7: Milk Powders

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	115
2	230
3	345
4	460
5	575
6	690
7	697
8	704
9	711
10	718
11	725
12	732
13	740
14	747

Quota Year Aggregate Quantity (MT)

15	755
16	762
17	770
18	778
19	785

Starting in year 19, the quantity shall remain at 785 MT per year.

(b) This paragraph applies to the following tariff items: 0402.21.11 and 0402.29.11.

(c) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

15. TRQ-CA8: Concentrated/condensed milk

The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	230
2	460
3	690
4	920
5	1,150
6	1,380
7	1,394
8	1,408
9	1,422
10	1,436
11	1,450
12	1,465
13	1,480
14	1,494
15	1,509
16	1,524
17	1,540
18	1,555
19	1,571

Starting in year 19, the quantity shall remain at 1,571 MT per year.

(b) This paragraph applies to the following tariff items: 0402.91.10 and 0402.99.10.

(c) This TRQ shall be allocated on a calendar year basis.

16. TRQ-CA9: Yogurt and Buttermilk

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	689
2	1,378
3	2,068
4	2,757
5	3,446
6	4,135
7	4,176
8	4,218
9	4,260
10	4,303
11	4,346
12	4,389
13	4,433
14	4,478
15	4,522
16	4,568
17	4,613
18	4,659
19	4,706

Starting in year 19, the quantity shall remain at 4,706 MT per year.

(b) This paragraph applies to the following tariff items: 0403.10.10 and 0403.90.91

(c) This TRQ shall be allocated on a calendar year basis.

17. TRQ-CA10: Powdered Buttermilk

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	87
2	173
3	260

Quota Year Aggregate Quantity (MT)

4	347
5	433
6	520
7	525
8	530
9	536
10	541
11	547
12	552
13	558
14	563
15	569
16	574
17	580
18	586
19	592

Starting in year 19, the quantity shall remain at 592 MT per year.

(b) This paragraph applies to the following tariff items: 0403.90.11.

(c) This TRQ shall be allocated on a calendar year basis.

18. TRQ-CA11: Whey Powder

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	689
2	1,378
3	2,068
4	2,757
5	3,446
6	4,135
7	4,176
8	4,218
9	4,260
10	4,303

After year 10 this TRQ shall be eliminated.

(b) This paragraph applies to the following tariff items: 0404.10.21.

(c) This TRQ shall be allocated on a dairy year basis (August 1 – July 31).

19. TRQ-CA12: Products Consisting of Natural Milk Constituents

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	460
2	920
3	1,380
4	1,840
5	2,300
6	2,760
7	2,788
8	2,815
9	2,844
10	2,872
11	2,901
12	2,930
13	2,959
14	2,989
15	3,019
16	3,049
17	3,079
18	3,110
19	3,141

Starting in year 19, the quantity shall remain at 3,141 MT per year.

(b) This paragraph applies to the following tariff items: 0404.90.10.

(c) This TRQ shall be allocated on a calendar year basis.

20. TRQ-CA13: Ice Cream and Ice Cream Mixes

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	115
---	-----

Quota Year Aggregate Quantity (MT)

2	230
3	345
4	460
5	575
6	690
7	697
8	704
9	711
10	718
11	725
12	732
13	740
14	747
15	755
16	762
17	770
18	778
19	785

Starting in year 19, the quantity shall remain at 785 MT per year.

(b) This paragraph applies to the following tariff items: 1806.20.21, 1806.90.11, , 1901.90.31, 1901.90.51, , 2105.00.91, and 2202.99.32.

(c) This TRQ shall be allocated on a calendar year basis.

21. TRQ-CA14: Other Dairy

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT)

1	115
2	230
3	345
4	460
5	575
6	690
7	697

Quota Year Aggregate Quantity (MT)

8	704
9	711
10	718
11	725
12	732
13	740
14	747
15	755
16	762
17	770
18	778
19	785

Starting in year 19, the quantity shall remain at 785 MT per year.

(b) This paragraph applies to the following tariff items: 1517.90.21, 1901.20.11, 1901.20.21 1901.90.33, 1901.90.53, 2106.90.31, 2106.90.33, 2106.90.93, and 2309.90.31.

(c) This TRQ shall be allocated on a calendar year basis.

22. TRQ-CA15: Chicken

(a) The aggregate quantity of originating goods described in subparagraph (b) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (MT eviscerated product basis)

1	47,000
2	49,000
3	51,000
4	53,000
5	55,000
6	57,000
7	57,570
8	58,146
9	58,727
10	59,314
11	59,908
12	60,507

Quota Year Aggregate Quantity (MT eviscerated product basis)

13	61,112
14	61,723
15	62,340
16	62,963

Starting in year 16, the quantity shall remain at 62,963 MT per year.

(b) This paragraph applies to the following tariff items: 0105.94.91, 0207.11.91, 0207.12.91, 0207.13.91, 0207.14.21, 0207.14.91, 0209.90.10, 0210.99.11, 1601.00.21, 1602.20.21, 1602.32.12, and 1602.32.93.

(c) This TRQ shall be allocated on a calendar year basis.

23. TRQ-CA16: Eggs and Egg Products

(a) The aggregate quantity of originating goods described in subparagraph (c) that shall be permitted to enter duty-free in each quota year under this TRQ is:

Quota Year Aggregate Quantity (dozen eggs equivalent)

1	1,666,667
2	3,333,333
3	5,000,000
4	6,666,667
5	8,333,333
6	10,000,000
7	10,100,000
8	10,201,000
9	10,303,010
10	10,406,040
11	10,510,101
12	10,615,202
13	10,721,354
14	10,828,567
15	10,936,853
16	11,046,221

Starting in year 16, the quantity shall remain at 11,046,221 dozen eggs equivalent per year.

(b) Canada shall apply the following provision in the administration of this TRQ:

(i) The TRQ quantities set out in subparagraph (a) shall be used in priority for the importation of eggs for breaking purposes for further food processing (secondary manufacturing).

(ii) Thirty percent of import licenses for shell egg imports will be made available to new importers.

(c) This paragraph applies to the following tariff items: 0407.11.91, 0407.21.10, 0407.90.11, 0408.11.10, 0408.19.10, 0408.91.10, 0408.99.10, 2106.90.51, 3502.11.10, and 3502.19.10.

(d) This TRQ shall be allocated on a calendar year basis.

Section C-Turkey, Eggs and Boiler Hatching Eggs and Chicks

1. For the purposes of paragraph 3 of Section A:

- (a) turkey and turkey products means the following tariff items: 0105.99.11, 0207.24.11, 0207.24.91, 0207.25.11, 0207.25.91, 0207.26.10, 0207.27.11, 0207.27.91, 0209.90.30, 0210.99.14, 1601.00.31, 1602.20.31, 1602.31.12, and 1602.31.93.
- (b) broiler hatching eggs and chicks means the following tariff items: 0105.11.21 and 0407.11.11