CAFTA-DR - AGRICULTURE
Specific Fact Sheet
Background

Currently the Central American countries and the Dominican Republic are allowed to charge very high tariffs, limited only by WTO commitments. The average allowed tariff on agricultural products is 42% in Costa Rica, 40% in the Dominican Republic, 41% in El Salvador, 49% in Guatemala, 35% in Honduras, and 60% in Nicaragua. Applied tariffs may be lower on specific products, but in many cases these tariffs restrict U.S. exports. Moreover, there is no assurance the Central American countries will not raise tariffs to their WTO limits. In contrast, under the Caribbean Basin Initiative (CBI), permanent legislation passed through the Congress, the United States allows in over 99% of Central American exports into our market duty-free (trade weighted basis), effectively preserving tariff protection only for out-of-quota imports of products under U.S. tariff rate quota programs. A primary U.S. objective in the CAFTA-DR Free Trade Agreement (FTA) negotiations was to change the "one-way-street" of duty-free access currently enjoyed by CAFTA-DR countries on most of their exports into a "two-way-street" that provides U.S. exporters with access to these markets and levels the playing field with other competitors. This objective was achieved.

Key Elements of the Agreement

Market Access. No products are excluded from the agreement. Liberalization will occur through tariff reductions, tariff-rate quota expansion and a combination of approaches. Each Central American country and the Dominican Republic will have a separate schedule of commitments providing access for U.S. products. The United States will provide the same tariff treatment to each of the six countries, but will make country-specific commitments on tariff-rate quotas. Tariffs will be eliminated for all products, except sugar for the United States, fresh potatoes and fresh onions for Costa Rica, and white corn for the other Central American countries.

Tariff Elimination. Tariffs will be phased-out according to specific schedules negotiated on a product and country-specific basis. Phase-outs will be immediate, 5 years, 10 years, 12 years or 15 years (17 - 20 years for chicken leg quarters, rice and certain dairy products). As a general rule, tariffs will be reduced in equal annual installments over the phase-out period. For certain products, tariff reductions will be back-loaded, with no cuts in the initial years of the phase-out period and larger cuts in the later years of the phase-out period.

Tariff-Rate Quotas (TRQs). For some products, immediate market access will be provided through the creation and expansion of TRQs (zero duty access for a specified quantity of imports). General principles -- and in some cases, specific commitments -- on TRQ administration will be established to encourage full utilization of the TRQs.

Safeguards. Safeguard measures will be available for specified products, providing for tariff increases during a given year after import quantities in that year increase to specified levels. Specific triggers to activate the safeguards and duty increases are established in the agreement. The possibility of employing safeguards will expire when tariff protection has been phased-out.

The United States will operate safeguards on out-of-quota imports of dairy, peanuts, and peanut butter. If all parties agree, safeguard coverage could be extended beyond the tariff phase out period.

Sanitary and Phytosanitary Measures. The parties affirm the intent to apply the science-based disciplines of the WTO Agreement on Sanitary and Phytosanitary (SPS) Measures. An SPS Committee is established to expedite resolution of technical issues. In a process complementing the FTA negotiations, actions to resolve specific SPS measures restricting trade among the parties have also been agreed.

Export Subsidies. The parties agree not to use export subsidies into another party's market except to compete with third party export subsidies.

Specific Products

Beef. In CAFTA-DR countries, WTO tariff bindings range from 35% to 79%, with applied tariff rates ranging from 15% to 30%. Under the agreement, tariffs on the products most important to the U.S. beef industry – Prime and Choice cuts – will be eliminated immediately in Central American countries, and the Dominican Republic will immediately establish a TRQ that expands annually as the tariff is phased-out over 15 years. All other tariffs on beef and beef products will be eliminated within 15 years, and earlier in a number of cases. Costa Rica immediately eliminates its tariff on beef offals, while duties on other beef products and beef offals in other CAFTA-DR countries will be phased-out in 5 to 10 years.

Costa Rica: Immediate tariff elimination on Prime and Choice cuts and offals. Fifteen year phase-out on other products, with a backloaded reduction schedule and a safeguard is available.

DR: Fifteen year phase-out on tariffs, with safeguards available. A TRQ for Prime and Choice cuts of 1,100 metric tons (MT) will be immediately opened to U.S. suppliers, with 10 percent growth per year. A TRQ for beef trimmings will also be established at 220 MT, growing at 10 percent annually.

El Salvador: Immediate tariff elimination on Prime and Choice cuts. Tariffs on offals phased-out over 5 years. Fifteen year phase-out on other products, with a backloaded reduction schedule. A TRQ for other beef cuts of 105 MT will be immediately opened to U.S. suppliers with 5 percent growth per year.

Guatemala: Immediate tariff elimination on Prime and Choice cuts. Fifteen year phase-out on other products. A TRQ for other beef cuts is established at 1,060 MT with 6 percent growth per year.

Honduras: Immediate tariff elimination on Prime and Choice cuts. Tariffs on offals phased-out over 5 years with a 15-year phase-out on other products.

Nicaragua: Immediate tariff elimination on Prime and Choice cuts. Tariffs on offals phased-out over 5 years and a 15-year phase-out on other products with a safeguard available and a backloaded tariff reduction schedule.

The United States' 26% out-of-quota tariff on beef will be phased out over a 15-year period. The CAFTA-DR FTA preferential TRQs will open only if the existing WTO TRQ available to these countries fills. TRQ access will be established for the following countries:

Costa Rica: TRQ of 10,536 MT, growing at 5% per year
DR: TRQ of 1,320 MT, growing at 10% per year
El Salvador: TRQ of 105 MT, growing at 5% per year
Honduras: TRQ of 525 MT, growing at 5% per year
Nicaragua: TRQ of 10,500 MT, growing at 5% per year

<u>Pork</u>. In CAFTA-DR countries, WTO tariff bindings range from 35% to 60%, with applied tariff rates between 15% and 47%. Under the agreement, all CAFTA-DR tariffs will be eliminated within 15 years with safeguards available on certain products in some countries. Central American countries will immediately eliminate tariffs on bacon and some offal products. Each CAFTA-DR country will establish TRQs on pork cuts, totaling 13,613 MT in total, and these TRQs expand by 5% to 15% a year.

Costa Rica: Fifteen year phase-out for all tariffs, except for bacon and most offals, which will be eliminated immediately. Tariffs on pork cuts will be backloaded and safeguards available beyond a TRQ of 1,100 MT, which will grow by 10% in the first five years, 12% the next five years, and 15 % the last four years.

DR: Tariffs on most pork and pork products will be phased-out over 15 years with safeguards available on some of these products during the phase-out period. A TRQ for pork cuts will be established at 3,465 MT with 10% annual growth. Additionally, TRQs for bacon and fat will be established at quantities of 220 and 550 MT respectively. Tariffs on other pork products will be phased-out earlier than 15 years.

El Salvador: Fifteen year phase-out for all tariffs, except for bacon and most offal, which will be eliminated immediately. Tariffs on pork cuts will be backloaded and safeguards available beyond a TRQ of 1,650 MT, which will grow by 10% per year.

Guatemala: Fifteen year phase-out for all tariffs, except for bacon and offal, which will be eliminated immediately. Safeguards are available beyond a TRQ of 4,148 MT, which will grow by 5% per year.

Honduras: Fifteen year phase-out for all tariffs, except for bacon, which will be eliminated immediately and some offal products. Tariffs on pork cuts will be backloaded and safeguards available beyond a TRQ of 2,150 MT, which will grow by 7.5% per year.

Nicaragua: Fifteen year phase-out for all tariffs, except for bacon and offal, which will be eliminated immediately. TRQ of 1,100 MT on pork cuts, growing by 10% per year.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Poultry. In CAFTA-DR countries, WTO tariff bindings range from 35% to 250%, with applied tariff rates exceeding 164% on chicken leg quarters in some countries. Under the agreement, all Central American tariffs on poultry and poultry products will be eliminated within 18 years, and all DR tariffs will be eliminated within 20 years, with some eliminated sooner. Tariffs on poultry products other than chicken leg quarters will be reduced more quickly, with many eliminated within 10 years. Safeguards are available on some poultry products.

The tariff on chicken leg quarters will be eliminated in 20 years in the DR, 17 years in Costa Rica and 18 years in the other four countries. The DR will establish a 550 MT TRQ for chicken leg quarters, growing by 10% a year. The DR will also establish a 440 MT TRQ for mechanically de-boned chicken, growing by 10% a year, which will be phased out over 10 years, and a 3,850 MT TRQ for turkey products, which will be phased out over 15 years.

Costa Rica will establish a 330 MT TRQ for chicken leg quarters, growing by 10% a year. The other four Central American countries will establish a total regional duty-free TRQ of 21,810 MT (with individual country minimum quota levels). After year 12, the TRQ quantity will be no less than 5 % of regional chicken production.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Dairy. In CAFTA-DR countries, WTO tariff bindings range from 35% to 100%, with applied tariff rates as high as 60%. Under the agreement, all Central American and DR tariffs will be eliminated within 20 years, with tariffs on some dairy products eliminated earlier. Each country will establish TRQs for certain dairy products, totaling over 10,000 MT across the six countries – and each country will receive the same level of TRQ access for dairy products entering the United States. These TRQs expand at a 5% compound rate for the Central American countries and a 10% simple rate for the Dominican Republic, and the tariff cuts on these products are backloaded and safeguards are available.

Costa Rica:	TRQ of 1,050 MT, growing by 5% per year
DR:	TRQ of 4,099MT, growing by 10% per year
El Salvador:	TRQ of 1,070 MT, growing by 5% per year
Guatemala:	TRQ of 1,292 MT, growing by 5% per year.
Honduras:	TRQ of 1,050 MT, growing by 5% per year.
Nicaragua:	TRQ of 1,500 MT, growing by 5% per year.

Except where current duty treatment under CBI grants duty-free access, U.S. tariffs on dairy products, will be phased out over a 20-year period, with tariff cuts backloaded and safeguards are available. Reciprocal TRQ access for each CAFTA-DR country will also be established. For those products covered by CBI treatment, the tariff will be set at zero immediately.

Vegetables. In CAFTA-DR countries, WTO tariff bindings range from 30% to 60%, with applied tariff rates generally around 15%. All tariffs will be eliminated on U.S. vegetables, except for fresh onions in Costa Rica, where there will be no out-of-quota duty cut and liberalization will occur through expanded TRQ access, with an initial quantity of 300 MT. The following products will have tariffs phased-out according the following timetables:

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Cauliflower and Broccoli (0704.10)	12 years	5 years	10 years	10 years	10 years	10 years
Sweet Corn, fresh (0709.9010)	Immediate	15 years	Immediate	Immediate	Immediate	5 years
Sweet Corn, frozen (0710.40)	Immediate	15 years	5 years	Immediate	5 years	Immediate
Sweet Corn, canned (2005.80)	Immediate	10 years	Immediate	Immediate	Immediate	Immediate
Lettuce (0705.19)	10 years	Immediate	5 years	5 years	10 years	5 years
Mushrooms (0709.50)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Frozen vegetables (0710.80)	12 years	10 years	10 years	10 years	10 years	Immediate
Tomato Paste (2002.90)	Immediate	15 years	Immediate	10 years	Immediate	Immediate
Canned Asparagus (2005.60)	5 years	Immediate	Immediate	5 years	5 years	10 years
Mixed Vegetables (2005.90)	5 years	10 years	5 years	10 years	5 years	5 years

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

<u>Fruits and Tree Nuts</u>. In CAFTA-DR countries, WTO tariff bindings generally range from 20% to 60%, with some approaching 150%. Applied tariff rates are generally around 15%. Nearly 70 percent of U.S. fruit and nut exports are eligible for immediate duty-free access under the FTA, while most other products will have duties phased-out over 5 to 10 years. The following products will have tariffs phased-out according the following timetables:

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Walnuts, shelled (0802.32)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Oranges (0805.10)	5 years	15 years	5 years	5 years	10 years	10 years
Grapes (0806.10)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Raisins (0806.90)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Apples (0808.10)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Pears (0808.2010)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Cherries (0809.20)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Peaches/nectarines (0809.30)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Kiwis (0810.50)	5 years	Immediate	Immediate	Immediate	Immediate	Immediate
Canned Pears (2008.40)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Canned Peaches (2008.70)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Mixed canned fruit (2008.92)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Frozen orange juice (2009.11)	Immediate	15 years	Immediate	Immediate	Immediate	Immediate
Grapefruit juice (2009.29)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Cranberry juice (2009.8090)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Mixed Concentrates (2009.90)	5 years	Immediate	5 years	10 years	Immediate	Immediate
Almonds (0802.1100, 0802.1200)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Pistachios (0802.5000)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Dry Peas, Beans and Lentils. In CAFTA-DR countries, WTO tariff bindings range from 25% to 110%, with applied tariff rates ranging from 5% to 20%. Under the agreement, all tariffs will be eliminated within15 years, with some products receiving duty-free treatment immediately and others in 5 to 12 years. Safeguards are available on some products. For mung, red, and kidney beans, the DR will open an 8,560 MT TRQ, growing at the rate of 7% annually, with the tariff being eliminated in 15 years and safeguards are available.

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Peas (0713.10)	10 years	Immediate	5 years	10 years	10 years	5 years
Red Beans (0713.32)	15 years	TRQ	15 years	Immediate	15 years	15 years
Black Beans (whole) (0713.3310)	15 years	TRQ	12 years	15 years	15 years	15 years
Black Beans (split) 0713.3310	15 years	TRQ	12 years	Immediate	15 years	15 years
White Beans (0713.3320)	15 years	TRQ	12 years	10 years	5 years	15 years
Other Beans (0713.3390)	15 years	TRQ	15 years	10 years	15 years	15 years
Lentils (0713.40)	5 years	Immediate	Immediate	5 years	10 years	5 years

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Potatoes. In CAFTA-DR countries, WTO tariff bindings range from 25% to 60%, with applied tariff rates generally around 15%, except for certain sensitive products. Under the agreement, all tariffs on potatoes will be eliminated over 15 years, except for fresh potatoes in Costa Rica, where there will be no cut in the out-of-quota duty and liberalization will occur through expanded TRQ access, starting at a quantity of 300 MT. Access for frozen french fries into Costa Rica will entail a 6-year tariff phase-out with a 2,631 MT TRQ growing at a 5% compound rate.

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Fresh Potatoes (0701.90)	TRQ increase	12 years	12 years	15 years	15 years	15 years
Potato Flour (1105.10)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Dehydrated granules (1105.2010)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Dehydrated pellets (1105.2020)	Immediate	Immediate	Immediate	10 years	Immediate	Immediate
Frozen French Fries (2004.10)	6 years (TRQ)	5 years	Immediate	Immediate	Immediate	Immediate
Potato Chips (2005.20)	15 years	10 years	10 years	10 years	5 years	Immediate

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Wheat and Barley. In CAFTA-DR countries, WTO tariff bindings generally range from 35% to 60%, but can exceed 100%. Costa Rica currently applies a 1% duty while the other countries have zero tariffs on wheat, barley, and barley malt. Under the agreement, duty free access for

U.S. wheat and barley to Central America and the DR will be locked in for all countries. The applied rate for wheat flour is generally 10%. Tariffs on wheat flour will be eliminated in 15 years.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

White Corn. In CAFTA-DR countries, WTO tariff bindings range from 35% to 75%, with applied tariff rates at 20% in Central America and zero in the DR. Under the agreement, the tariff will be set at zero immediately in the Dominican Republic and phased-out in Costa Rica. The other Central American countries will not reduce the out-of-quota duty, but liberalization will occur through a TRQ, which will grow 2% per year into perpetuity.

Costa Rica: Fifteen year phase-out, with safeguard available.
DR: Zero duty immediately.
El Salvador: TRQ of 35,000 MT.
Guatemala: TRQ of 20,000 MT.
Honduras: TRQ of 23,000 MT.
Nicaragua: TRQ of 5,000 MT.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Yellow Corn. WTO tariff bindings range from 15% to 99%, with applied tariff rates ranging from 15% to 35%, except in Costa Rica where the duty is 1% and the DR with zero tariff. Under the agreement, Costa Rica and the DR provide immediate duty-free treatment. The other Central American tariffs will be eliminated by 15 years and TRQs will be established. Tariff cuts will be backloaded and safeguards in some countries are available on out-of-quota duty imports.

Costa Rica: Immediate tariff elimination.
DR: Zero duty immediately.
El Salvador: 15-year duty phase-out. TRQ of 367,500 MT, growing by 5% per year. A fixed part of the TRQ will be subject to a performance requirement, which will be eliminated in 15 years. Tariff cuts will be backloaded.
Guatemala: 10-year duty phase-out. TRQ of 525,000 MT, growing by 5% per year.
Honduras: 15-year duty phase-out. TRQ of 190,509 MT, growing by 5% per year. Tariff cuts will be backloaded.
Nicaragua: 15-year duty phase-out. TRQ of 68,250 MT, growing by 5% per year. Tariff cuts will be backloaded and safeguards available on out-of-quota imports.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Corn Products. All tariffs on corn products (such as corn flour, corn oil, corn gluten feed, and high fructose corn syrup) will be eliminated in no later than 15 years. Safeguards are available on some products during the phase-out period.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Rice. In CAFTA-DR countries, WTO tariff bindings range from 35% to 90%, with applied tariff rates 15% to 60%. Under the agreement, tariffs will be eliminated in 18 years, except in Costa Rica and the DR, which have 20-year phase-outs. All tariff cuts will be backloaded and safeguards are available on out-of-quota imports. TRQs will be established for milled rice by all countries and rough rice in all countries except the DR (which will have a TRQ for brown rice). The total TRQ access amounts to over 400,000 MT immediately and grows through the tariff phase-out period.

Costa Rica:	TRQ of 51,000 MT for rough rice growing by 2% a year, subject to a performance requirement, which will be eliminated in 20 years. TRQ of 5,250 MT for milled rice, growing by 5% per year.
DR:	TRQ of 8,560 MT for milled rice growing by 7% a year, and a 2,140 MT TRQ for brown rice growing at 7% a year.
El Salvador:	TRQ of 62,220 MT for rough rice, growing by 2% per year, with an extra increase in year 6. TRQ of 5,625 MT for milled rice, growing by 375 MT per year for the first five years, 1,000 metric ton increase in year 6, and an annual 320 MT increase thereafter.
Guatemala:	TRQ of 54,600 MT for rough rice and 10,500 MT for milled rice, growing by 5% per year.
Honduras:	TRQ of 91,800 MT for rough rice, growing by 2% per year. TRQ of 8,925 MT for milled rice, growing by 5% per year.
Nicaragua:	TRQ of 92,700 MT for rough rice growing at 3% a year and 13,650 MT for milled rice, growing by 5% per year.

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Soybeans and Soybean Products. In CAFTA-DR countries, WTO tariff bindings range from 20% to 90%, with applied tariff rates of zero to 15%. Costa Rica currently applies a 1% duty while the other countries have zero tariffs on soybeans. Under the agreement, duty free access for U.S. soybeans will be set at zero immediately for all countries. Duties on soybean meal and flour will be eliminated immediately in most countries. Soybean oil duties will be phased out within 15 years, with duties on crude soybean oil locked in at zero immediately in El Salvador, Guatemala and the DR. Safeguards are available on refined soybean oil imports in most countries and some tariffs will be backloaded.

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Soybeans (1201.00)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Soybean flour (1208.10)	15 years	Immediate	Immediate	Immediate	Immediate	10 years
Crude soybean oil (1507.10)	15 years	Immediate	Immediate	Immediate	12 years	Immediate
Refined soybean oil (1507.90)	15 years	15 years	12 years	15 years	15 years	15 years
Protein concentrates (2106.10)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Soybean meal (2304)	15 years	Immediate	Immediate	Immediate	Immediate	Immediate

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Peanuts. In CAFTA-DR countries, WTO tariff bindings generally range from 30% to 60%, except in Costa Rica where the tariff is bound at 1%. Applied tariff rates range from zero to 20%. Under the agreement, peanut tariffs will be eliminated immediately in El Salvador, Honduras and the DR, with tariffs in other countries eliminated in 5, 10 or 15 years. Peanut butter tariffs are eliminated immediately in all countries, except for Nicaragua and Guatemala.

Except where current duty treatment under CBI grants duty-free access, the U.S. tariffs on peanuts and peanut butter will be phased out over a 15-year period, and TRQ access will be established for two countries.

El Salvador: TRQ of 500 MT for peanuts, growing by 5% per year.
Nicaragua: TRQ of 10,000 MT for peanuts, with no growth for five years, then growing by 10% per year.

A TRQ for peanut butter will be established for Nicaragua at 280 MT, growing at 10% a year.

Sugar. The Central American countries and the DR will phase-out their sugar tariffs over 15 years.

The over 100% out-of-quota duty on sugar in the United States will not be cut. The United States will establish TRQs for the Dominican Republic and Central American countries, starting at a collective 107,000 MT and growing to just over 151,000 MT in year 15, thereafter growing by 2% a year (simple growth) into perpetuity. The United States will also establish a quota for specialty sugar goods of Costa Rica in the amount of 2,000 MT annually. Provisions will ensure only net surplus exporting countries in the region have increased access, and provisions have been agreed to allow alternative forms of compensation to be established to facilitate sugar stock management by the United States. New TRQ access will be as follows:

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Year 1	11,000	10,000	24,000	32,000	8,000	22,000
Year 2	11,220	10,200	24,480	32,640	8,160	22,440
Year 3	11,440	10,400	24,960	33,280	8,320	22,880
Year 4	11,660	10,600	28,000	37,000	8,480	23,320

Year 5	11,880	10,800	28,560	37,740	8,640	23,760
Year 6	12,100	11,000	29,120	38,480	8,800	24,200
Year 7	12,320	11,200	29,680	39,220	8,960	24,640
Year 8	12,540	11,400	31,000	42,000	9,120	25,080
Year 9	12,760	11,600	31,620	42,840	9,280	25,520
Year 10	12,980	11,800	32,240	43,680	9,440	25,960
Year 11	13,200	12,000	32,860	44,520	9,600	26,400
Year 12	13,420	12,200	34,000	47,000	9,760	26,840
Year 13	13,640	12,400	34,680	47,940	9,920	27,280
Year 14	13,860	12,600	35,360	48,880	10,080	27,720
Year 15	14,080	12,800	36,040	49,820	10,240	28,160
Annual increase	220	200	680	940	160	440

Processed Products. Central American tariffs will be phased out on specific schedules. Immediate tariff elimination will occur for some breakfast cereal, biscuits, canned fruits, many juices, wine, whiskey, liquors, and some pet food products.

	Costa Rica	*Dom. Rep.*	*El Salvador*	*Guatemala*	*Honduras*	*Nicaragua*
Food preparations (1901.9090)	Immediate	5 years	Immediate	Immediate	Immediate	Immediate
Pasta (1902)	15 years	15 years	10 years	10 years	10 years	10 years
Breakfast cereal (rice) (1904.10)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Breakfast cereal (other) (1904.20)	12 years	Immediate	10 years	10 years	5 years	Immediate
Biscuits/cookies (1905.3110)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Soups and broths (2104.10)	Immediate	15 years	5 years	5 years	Immediate	5 years
Sparkling wine (2204.10)	Immediate	Immediate	5 years	5 years	5 years	5 years
Wine in bottles (2204.21)	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Whisky (2208.30)	5 years	Immediate	Immediate	Immediate	Immediate	Immediate
Gin (2208.50)	Immediate	10 years	Immediate	Immediate	Immediate	Immediate
Liquors (2208.70)	Immediate	10 years	5 years	5 years	Immediate	5 years
Dog and cat food (2309.10)	Immediate	10 years	Immediate	Immediate	12 years	5 years
Other pet food (2309.9019)	Immediate	10 years	5 years	5 years	15 years	12 years

Under the CBI, U.S. tariffs on Central American and DR imports are currently zero. The tariff will be set at zero immediately.

Tobacco. Central American and DR tariffs will be eliminated on U.S. exports in 15 years, with many tariffs eliminated immediately.

U.S. tariffs on tobacco will be phased out over a 15-year period, except where current duty treatment under CBI grants duty-free access. For those products, the tariff will be set at zero immediately.

Cotton. In CAFTA-DR countries, WTO tariff bindings range from 35 to 60%, with applied tariff rates of 1% in Costa Rica and zero in the other countries. Costa Rica will immediately eliminate its cotton tariff, and tariffs for raw cotton will be set at zero in the other countries immediately.

U.S. cotton tariffs will be phased out over a 15-year period, except where current duty treatment under CBI grants duty-free access. For those products, the tariff will be set at zero immediately.

Ethanol. Duty free access conditions into the U.S. market under CBI will not change. El Salvador was granted a share of the non-local stock TRQ, not to exceed 10% of the total TRQ. Costa Rica was granted a fixed share of the non-local stock TRQ of 31,000,000 gallons (15% of the current regional TRQ) with no growth.