

USDA/Foreign Agriculture Service Summary of Specific Provisions of CAFTA for Animal Protein

Specific Products

Beef. In CAFTA-DR countries, WTO tariff bindings range from 35 percent to 79 percent, with applied tariff rates ranging from 15 percent to 30 percent. 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 percent 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 percent per year

DR: TRQ of 1,320 MT, growing at 10 percent per year

El Salvador: TRQ of 105 MT, growing at 5 percent per year

Honduras: TRQ of 525 MT, growing at 5 percent per year

Nicaragua: TRQ of 10,500 MT, growing at 5 percent per year

Pork. In CAFTA-DR countries, WTO tariff bindings range from 35 percent to 60 percent, with applied tariff rates between 15 percent and 47 percent. 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 percent to 15 percent 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 percent in the first five years, 12 percent the next five years, and 15 percent 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 percent 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 percent 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 percent 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 percent 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 percent 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 percent to 250 percent, with applied tariff rates exceeding 164 percent 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 percent a year. The DR will also establish a 440 MT TRQ for mechanically de-boned chicken, growing by 10 percent 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 percent 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 percent 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.