

**Draft as of March 22, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

**Annex 3.17**  
**Agricultural Safeguard Measures**

**General Notes**

1. For each good listed in a Party's Schedule to this Annex for which the agricultural safeguard trigger level is set out in that Schedule as a percentage of the applicable tariff-rate quota (TRQ), the trigger level in any year shall be determined by multiplying the in-quota quantity for that good for that year, as set out in Appendix I to the Party's Schedule to Annex 3.3, by the applicable percentage. For each good listed in a Party's Schedule to this Annex for which the trigger level is set out as a fixed initial amount in the Party's Schedule, the trigger level set out in the Schedule shall be the trigger level in year one. The trigger level in any subsequent year shall be determined by adding to that amount the quantity derived by applying the applicable annual trigger growth rate to that amount, compounded annually. For purposes of this Annex, the term "year one" shall have the meaning given to that term in Annex 3.3.
2. For purposes of this Annex, **prime and choice beef** shall mean prime and choice grades of beef as defined in the United States Standards for Grades of Carcass Beef, promulgated pursuant to the *Agricultural Marketing Act of 1946* (7 U.S.C. §§ 1621-1627), as amended.

**Schedule of Panama**

*Subject Goods and Trigger Levels*

1. For purposes of paragraphs 1 and 2 of Article 3.17, originating goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

<b>Good</b>	<b>Tariff Classification</b>	<b>Trigger Level</b>	<b>Annual Compound Trigger Growth Rate</b>
Beef Other than Prime and Choice Beef	02012000b, 02013000b, 02022000b, 02023000b	330 MT	10%
Pork	02031110, 02031120, 02031210, 02031290, 02031910, 02031920, 02031990, 02032110, 02032120, 02032210, 02032290, 02032910, 02032920, 02032990, 02101119, 02101190, 02101910, 02101929, 02101990, 16024111, 16024210, 16024290, 16024919	130% of TRQ	
Chicken Leg Quarters (Bone-in)	02071319c, 02071419c	130% of TRQ	
Fluid Milk	04011000, 04012010, 04012020, 04012090, 04013010, 04013021	110% of TRQ	

**Draft as of March 22, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

<b>Good</b>	<b>Tariff Classification</b>	<b>Trigger Level</b>	<b>Annual Compound Trigger Growth Rate</b>
Nonfat Dry Milk	04021091, 04021092, 04021099, 04039022	110% of TRQ	
Whole Milk Powder	04022191, 04022199, 04022991, 04022999, 04039023	110% of TRQ	
Yogurt	04031010, 04031021, 04031022, 04031031, 04031032, 04031091, 04031099	110% of TRQ	
Butter	04051000, 04052010, 04052090, 04059090	110% of TRQ	
Cheddar Cheese	04039013, 04069011, 04069019	110% of TRQ	
Other Cheese	04061010, 04061090, 04062010, 04062090, 04063000, 04064000, 04069020, 04069090	110% of TRQ	
Ice Cream	21050010, 21050091, 21050099	110% of TRQ	
Other Dairy Products	19011019, 19019023, 22029011, 22029019	110% of TRQ	
Rough Rice	10061090	130% of TRQ	
Milled Rice	10062000, 10063000, 10064000	130% of TRQ	
Certain Vegetable Oils	15079000, 15121900, 15162090, 15179010, 15179090	4,500 MT	10%
Refined Corn Oil	15152900	150% of TRQ	
Processed Tomatoes	20029011, 20029012, 20029019, 20029021, 20029029	150% of TRQ	

*Additional Import Duty*

2. For purposes of paragraph 3 of Article 3.17, the additional import duty shall be:
  - (a) For beef other than prime and choice beef, certain vegetable oils, and processed tomatoes as listed in this Schedule:
    - (i) in years one through six, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
    - (ii) in years seven through 14, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.

**Draft as of March 22, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

- (b) For pork as listed in this Schedule:
  - (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3;
  - (ii) in years ten through 12, less than or equal to 75 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (iii) in years 13 through 14, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
  
- (c) For chicken leg quarters (bone-in) as listed in this Schedule:
  - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3;
  - (ii) in years 14 through 15, less than or equal to 75 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (iii) in years 16 through 17, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
  
- (d) For fluid milk, yogurt, butter, and other dairy products as listed in this Schedule:
  - (i) in years one through 11, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (ii) in years 12 through 14, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
  
- (e) For nonfat dry milk and other cheese as listed in this Schedule:
  - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and

**Draft as of March 22, 2007**

**Subject to legal review for accuracy, clarity, and consistency.**

- (ii) in years 14 through 16, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
- (f) For whole milk powder, cheddar cheese, and ice cream as listed in this Schedule:
  - (i) in years one through 12, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (ii) in years 13 through 15, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
- (g) For rough rice and milled rice as listed in this Schedule:
  - (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3;
  - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (iii) in years 18 through 19, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.
- (h) For refined corn oil as listed in this Schedule:
  - (i) in years one through six, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3; and
  - (ii) in years seven through nine, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of Panama to Annex 3.3.

**Draft as of March 22, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

**Schedule of the United States**

*Subject Goods and Trigger Levels*

1. For purposes of paragraphs 1 and 2 of Article 3.17, originating goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

<b>Good</b>	<b>Tariff Classification</b>	<b>Trigger Level</b>	<b>Annual Compound Trigger Growth Rate</b>
Beef	02011050, 02012080, 02013080, 02021050, 02022080, 02023080	330 MT	10%
Condensed and Evaporated Milk	04029170, 04029190, 04029945, 04029955	115% of TRQ	
Select Cheeses	04061018, 04061028, 04061038, 04061048, 04061058, 04061068, 04061078, 04062028, 04062033, 04062039, 04062048, 04062053, 04062063, 04062067, 04062071, 04062075, 04062079, 04062083, 04062087, 04063018, 04063028, 04063038, 04063048, 04063053, 04063063, 04063067, 04063071, 04063075, 04063079, 04063083, 04063087, 04064070, 04069012, 04069018, 04069032, 04069037, 04069042, 04069048, 04069054, 04069068, 04069074, 04069078, 04069084, 04069088, 04069092, 04069094, 19019036	115% of TRQ	
Other Cheeses	04061008, 04061088, 04062091, 04063091, 04069097	115% of TRQ	
Ice Cream	21050020	115% of TRQ	

*Additional Import Duty*

2. For purposes of paragraph 3 of Article 3.17, the additional import duty shall be:

(a) For beef as listed in this Schedule:

(i) in years one through six, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3; and

**Draft as of March 22, 2007**

**Subject to legal review for accuracy, clarity, and consistency.**

- (ii) in years seven through 14, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3.
- (b) For condensed and evaporated milk and select cheeses as listed in this Schedule:
  - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3; and
  - (ii) in years 14 through 16, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3.
- (c) For other cheeses and ice cream as listed in this Schedule:
  - (i) in years one through 11, less than or equal to 100 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3; and
  - (ii) in years 12 through 14, less than or equal to 50 percent of the difference between the appropriate rate of duty as determined under Article 3.17.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3.