

**Chapter Two**

**National Treatment and Market Access for Goods**

[...]

**Section G: Agriculture**

**Article 2.14: Scope and Coverage**

This Section applies to measures adopted or maintained by a Party relating to trade in agricultural goods.

**Article 2.15: Administration and Implementation of Tariff-Rate Quotas**

1. Each Party shall implement and administer the tariff-rate quotas for agricultural goods set out in Appendix I to its Schedule to Annex 2.3 (Tariff Elimination) (hereafter “TRQs”) in accordance with Article XIII of the GATT 1994, including its interpretive notes, and the Import Licensing Agreement.

2. Each Party shall ensure that:

- (a) its procedures for administering its TRQs are transparent, made available to the public, timely, nondiscriminatory, responsive to market conditions, and minimally burdensome to trade;
- (b) subject to subparagraph (c), any person of a Party that fulfills the Party’s legal and administrative requirements shall be eligible to apply and to be considered for an in-quota quantity allocation under the Party’s TRQs;
- (c) it does not, under its TRQs:
  - (i) allocate any portion of an in-quota quantity to a producer group;
  - (ii) condition access to an in-quota quantity on purchase of domestic production; or
  - (iii) limit access to an in-quota quantity only to processors;
- (d) solely government authorities administer its TRQs and, to that end, that the government authorities do not delegate administration of its TRQs to producer groups or other non-governmental organizations; and
- (e) it allocates in-quota quantities under its TRQs in commercially viable shipping quantities and, to the maximum extent possible, in the amounts that importers request.

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3. Each Party shall make every effort to administer its TRQs in a manner that allows importers to fully utilize them.
4. Neither Party may condition application for, or use of, an in-quota quantity allocation under a TRQ on the re-export of an agricultural good.
5. Neither Party may count food aid or other non-commercial shipments in determining whether an in-quota quantity under a TRQ has been filled.
6. On request of either Party, the importing Party shall consult with the other Party regarding the administration of the importing Party's TRQs.

**Article 2.16: Agricultural Export Subsidies**

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall work together toward an agreement in the WTO to eliminate those subsidies and prevent their reintroduction in any form.
2. Except as provided in paragraph 3, neither Party may introduce or maintain any export subsidy on any agricultural good destined for the territory of the other Party.
3. Where the exporting Party considers that a non-Party is exporting an agricultural good to the territory of the other Party with the benefit of export subsidies, the importing Party shall, on written request of the exporting Party, consult with the exporting Party with a view to agreeing on specific measures that the importing Party may adopt to counter the effect of such subsidized imports. If the importing Party adopts the agreed-on measures, the exporting Party shall refrain from applying any subsidy to its exports of the good to the territory of the importing Party.

**Article 2.17: Export State Trading Enterprises**

The Parties shall work together toward an agreement on export state trading enterprises in the WTO that:

- (a) eliminates restrictions on the right to export;
- (b) eliminates any special financing granted directly or indirectly to state trading enterprises that export for sale a significant share of their country's total exports of an agricultural good; and
- (c) ensures greater transparency regarding the operation and maintenance of export state trading enterprises.

**Article 2.18: Agricultural Safeguard Measures**

1. Notwithstanding Article 2.3 (Tariff Elimination), a Party may apply a measure in the form of an additional import duty on an originating agricultural good listed in that Party's Schedule to Annex 2.18 (Agricultural Safeguard Measures), provided that the conditions in

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paragraphs 2 through 8 are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the least of:

- (a) the base tariff rate provided in the Schedule to Annex 2.3 (Tariff Elimination);
- (b) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement;
- (c) the prevailing most-favored-nation (MFN) applied rate of duty; or
- (d) the level of duty described in subparagraph 2(c) of Appendix I to Peru's Schedule to Annex 2.3 (Tariff Elimination), if applicable.

2. A Party may apply an agricultural safeguard measure during any calendar year (or, in the case of a good provided for in the subheadings listed in subparagraph 7(d) of Appendix I to Peru's Schedule to Annex 2.3 (Tariff Elimination), during any marketing year) on an originating agricultural good if the quantity of imports of the good during such year exceeds the trigger level for that good set out in its Schedule to Annex 2.18 (Agricultural Safeguard Measures).

3. The additional duty under paragraph 1 shall be set according to each Party's Schedule to Annex 2.18 (Agricultural Safeguard Measures).

4. Neither Party may apply an agricultural safeguard measure and at the same time apply or maintain:

- (a) a safeguard measure under Chapter Eight (Trade Remedies); or
- (b) a measure under Article XIX of GATT 1994 and the Safeguards Agreement;

with respect to the same good.

5. Neither Party may apply or maintain an agricultural safeguard measure on a good:

- (a) on or after the date that a good is subject to duty-free treatment under the Party's Schedule to Annex 2.3 (Tariff Elimination); or
- (b) that increases the in-quota duty on a good subject to a TRQ.

6. A Party shall implement an agricultural safeguard measure in a transparent manner. Within 60 days after applying such a measure, the Party applying the measure shall notify the Party whose good is subject to the measure, in writing, and shall provide it relevant data concerning the measure. On request, the Party applying the measure shall consult with the Party whose good is subject to the measure regarding application of the measure.

7. A Party may maintain an agricultural safeguard measure only until the end of the calendar year or marketing year, as applicable, in which the Party imposes the measure.

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8. Originating goods from either Party shall not be subject to any duties applied pursuant to any agricultural safeguard measure taken under the WTO Agreement on Agriculture or any successor provisions thereof.

9. For purposes of this Article and Annex 2.18 (Agricultural Safeguard Measures), **agricultural safeguard measure** means a measure described in paragraph 1.

**Article 2.19: Sugar Compensation Mechanism**

1. In any year, the United States may, at its option, apply a mechanism that results in compensation to Peru's exporters of sugar goods in lieu of according duty-free treatment to some or all of the duty-free quantity of sugar goods established for Peru in Appendix I to the Schedule of the United States to Annex 2.3 (Tariff Elimination). Such compensation shall be equivalent to the estimated economic rents that Peru's exporters would have obtained on exports to the United States of any such amounts of sugar goods and shall be provided within 30 days after the United States exercises this option. The United States shall notify Peru at least 90 days before it exercises this option and, on request, shall enter into consultations with Peru regarding application of the mechanism.

2. For purposes of this Article, **sugar good** means a good provided for in the subheadings listed in subparagraph 5(c) of Appendix I to the Schedule of the United States to Annex 2.3 (Tariff Elimination).

**Article 2.20: Consultations on Trade in Chicken**

The Parties shall consult on, and review the implementation and operation of the Agreement as it relates to, trade in chicken in the ninth year after the date of entry into force of this Agreement.

**Article 2.21: Committee on Agricultural Trade**

1. The Parties shall establish a Committee on Agricultural Trade, comprising representatives of each Party, within 180 days of the entry into force of the Agreement.

2. The Committee shall provide a forum for:

- (a) monitoring and promoting cooperation on the implementation and administration of this Section;
- (b) consultation between the Parties on matters related to this Section in coordination with other committees, subcommittees, working groups, or other bodies established under this Agreement; and
- (c) undertaking any additional work that the Commission may assign.

3. The Committee shall meet at least once a year unless it decides otherwise. Meetings of the Committee shall be chaired by the representatives of the Party hosting the meeting.

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4. All decisions of the Committee shall be taken by consensus, unless the Committee otherwise decides.

**Article 2.22: Definitions**

For purposes of this Section,

**agricultural goods** means those goods referred to in Article 2 of the WTO Agreement on Agriculture; and

**export subsidies** shall have the meaning assigned to that term in Article 1(e) of the WTO *Agreement on Agriculture*, including any amendment of that article.