

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

ANNEX 3-A

AGRICULTURAL TRADE BETWEEN MEXICO AND THE UNITED STATES

1. For the purposes of this Annex:

qualifying good means an originating good that is an agricultural good, except that in determining whether such good is an originating good, operations performed in or materials obtained from Canada shall be considered as if they were performed in or obtained from a non-Party;

sugar means raw or refined sugar derived directly or indirectly from sugar cane or sugar beets, including liquid refined sugar;

sugar-containing product means a good containing sugar; and

sugar or syrup good means:

- (a) for imports into Mexico, a good provided for in any of the current HS subheading 1701.91 (except those that contain added flavoring matter) and the current tariff items 1701.12.01, 1701.12.04, 1701.13.01, 1701.14.01, 1701.14.04, 1701.99.01, 1701.99.02, 1701.99.99, 1702.90.01, 1806.10.01 and 2106.90.05 of the General Import and Export Duty Act ("*Ley de los Impuestos Generales de Importación y Exportación*"); and
- (b) for imports into the United States, a good provided for in any of the current tariff items 1701.12.05, 1701.12.10, 1701.12.50, 1701.13.05, 1701.13.10, 1701.13.20, 1701.13.50, 1701.14.05, 1701.14.10, 1701.14.20, 1701.14.50, 1701.91.05, 1701.91.10, 1701.91.30, 1702.90.05, 1702.90.10, 1702.90.20, 1702.90.35, 1702.90.40, 1702.90.52, 1702.90.54, 1702.90.58, 1702.90.64, 1702.90.68, 1702.90.90, 1806.10.43, 1806.10.45, 1806.10.55, 1806.10.65, 1806.10.75 and 2106.90.42, 2106.90.44, 2106.90.46 of the U.S. Harmonized Tariff Schedule, without regard to the quantity imported.

tariff rate quota means a mechanism that provides for the application of a customs duty at a certain rate to imports of a particular good up to a specific quantity (in-quota quantity), and at a different rate to imports of that good that exceed that quantity."

2. This Annex applies only as between Mexico and the United States.

3. With the exception of tariff-rate quotas (TRQ) set out in its schedule to the WTO Agreement, Mexico shall ensure that the customs duties for any TRQ it maintains for sugar or syrup goods on a most-favored-nation (MFN) basis are not less than the prevailing MFN rates of the United States for the same sugar and syrup goods.

4. Mexico shall not be required to apply the applicable preferential duty rate provided in this Agreement to a sugar or syrup good, or sugar-containing product, that is a qualifying good when

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

the United States has granted or will grant benefits under any re-export program or any like program in connection with the export of the good, including a good covered in paragraph 7 of Article 2.5 (National Treatment and Market Access – Drawback and Duty Deferral Programs). The United States shall notify Mexico in writing within two business days of any export to Mexico of such a good for which the benefits of any re-export program or any other like program have been or will be claimed by the exporter.

5. Notwithstanding Chapter 4 (Rules of Origin), for the purposes of applying the preferential duty rate provided in this Agreement to a good, the United States may consider it as if it were a non-originating good provided for in U.S. tariff items 1702.90.05, 1702.90.10, 1702.90.20, 1702.90.35, 1702.90.40, 1702.90.52, 1702.90.54, 1702.90.58, 1702.90.64, 1702.90.68, 1702.90.90, 1806.10.43, 1806.10.45, 1806.10.55, 1806.10.65, 1806.10.75 or 2106.90.42, 2106.90.44, 2106.90.46 that is exported from the territory of Mexico, if any material provided for in HS subheading 1701.99 used in the production of that good is not a qualifying good.

6. Notwithstanding Chapter 4 (Rules of Origin), for the purposes of applying the preferential duty rate provided in this Agreement to a good, Mexico may consider it as if it were non-originating a good provided for in: Mexican tariff item 1702.90.01, 1806.10.01 or 2106.90.05 that is exported from the territory of the United States, if any material provided for in HS subheading 1701.99 used in the production of that good is not a qualifying good.

7. Notwithstanding the Specific Rules of Origin provided in Annex 4-B, the United States or Mexico may consider a good classified in heading 1202 or subheading 2008.11 to be originating only if any peanuts used in the production of such a good that are classified in heading 1202 are also originating.

8. Each Party shall ensure that any measure it adopts or maintains regarding the grading of agricultural goods for quality, whether on a mandatory or voluntary basis, shall be applicable to imported agricultural goods, on the basis of the same regulatory framework, including the same requirements and based on the same criteria as domestic goods.

9. A Party which provides for the assignment of grades shall ensure that the same quality grade certificate requiring the same information is used for domestic and imported like products. No Party shall require a country of origin statement on any quality grade certificate, or any quality grade certificate to state that the agricultural good is foreign or domestic.

10. No Party shall make domestic registration of grain and oilseed varieties a requirement for importation, or a consideration in the assignment of quality grades or classes to imported grain and oilseed.

11. Mexico and the United States shall establish a technical working group, comprising representatives of Mexico and the United States. The technical working group shall meet on an annual basis, unless otherwise decided by the Parties participating in the technical working group, and shall be chaired by representatives of the participating Parties. The technical working group shall review matters related to agricultural grade and quality standards, technical specifications, and other standards in each Party and their application and implementation insofar as they affect trade between the Parties. The technical working group shall work to resolve issues that may arise

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

regarding the application and implementation of the standards, including where feasible and appropriate considering joint mechanisms, such as training programs, or work plans for quality inspections at the point of origin to facilitate trade between the Parties.

12. Beginning on the date of entry into force of this Agreement, neither Mexico nor the United States may refund the amount of customs paid, or waive or reduce the amount of customs duties owed, on any agricultural good imported into its territory that is substituted for an identical or similar good that is subsequently exported to the territory of the other Party.