



## DEPARTMENT OF AGRICULTURE

### Foreign Agricultural Service

#### Adjustment of Appendices under the Dairy Tariff-Rate Quota Import Licensing Regulation

**AGENCY:** Foreign Agricultural Service, USDA.

**ACTION:** Notice.

**SUMMARY:** This notice announces the transfer of amounts for certain dairy articles from the historical license category (Appendix 1) to the lottery (nonhistorical) license category (Appendix 2) pursuant to the Dairy Tariff-Rate Quota Import Licensing regulations for the 2021 quota year. In addition, adjustments have been made to the Appendices to reflect changes to United Kingdom (UK) and European Union (EU) country allocations for certain tariff rate quotas (TRQs) and other changes to the Harmonized Tariff Schedule of the United States (HTSUS) made by the U.S. Trade Representative in response to the withdrawal of the UK from the EU and the accession of Croatia to the EU, which will go into effect for the 2022 quota year. Appendices 1 and 2 for the EU-27 for Additional U.S. Note 16 to Chapter 4 have also been adjusted to account for a clerical error in last year's Appendices 1 and 2 published amounts. This correction does not increase the overall quantity allotted to the EU-27 and the UK.

**DATE:** [Insert date of publication in the Federal Register]

**FOR FURTHER INFORMATION CONTACT:** Abdelsalam El-Farra, (202) 720-9439; [abdelsalam.el-farra@fas.usda.gov](mailto:abdelsalam.el-farra@fas.usda.gov).

**SUPPLEMENTARY INFORMATION:** The Foreign Agricultural Service, under a delegation of authority from the Under Secretary for Trade and Foreign Agricultural Affairs, administers the Dairy Tariff-Rate Quota Import Licensing regulation codified at 7 CFR 6.20 through 6.36 that provides for the issuance of licenses to import certain dairy

articles under TRQs as set forth in the HTSUS. These dairy articles may only be entered into the United States at the low-tier tariff by or for the account of a person or firm to whom such licenses have been issued and only in accordance with the terms and conditions of the regulation.

Licenses are issued on a calendar year basis, and each license authorizes the license holder to import a specified quantity and type of dairy article from a specified country of origin. The Imports Program, Foreign Agricultural Service, U.S. Department of Agriculture, issues these licenses and, in conjunction with U.S. Customs and Border Protection, U.S. Department of Homeland Security, monitors their use.

The regulation at 7 CFR 6.34(a) states that whenever a historical license (Appendix 1) is permanently surrendered, revoked by the Licensing Authority, or not issued to an applicant pursuant to the provisions of § 6.23, then the amount of such license will be transferred to Appendix 2. Section 6.34(b) provides that the cumulative annual transfers will be published by notice in the *Federal Register*. Accordingly, this document sets forth the revised Appendices in the table below. The quantities for designated licenses (Appendix 3 and Appendix 4) are also included in the table below for completeness.

In addition, the Appendices have been revised to reflect modified EU and UK country allocations under certain TRQs in Chapter 4 of the HTSUS made by the U.S. Trade Representative in response to the withdrawal of the UK from the EU and to acknowledge the accession of Croatia to the EU. On July 6, 2021, the U.S. Trade Representative announced, *inter alia*, that: (1) the TRQs allocated to the EU under Additional U.S. Notes 6, 16, 17, and 18 to Chapter 4 will be allocated between the EU and the UK according to the average percentage of in-quota imports for the 2013-2015 period; and (2) the UK would have access to a specific in-quota quantity under these notes. Specifically, the U.S. Trade Representative announced that, effective with respect

to articles entered for consumption, or withdrawn from warehouse for consumption, on or after January 1, 2022:

1. Additional U.S. Note 2 to Chapter 4 of the HTSUS is modified by: (a) Inserting “Croatia,” into the list of countries in alphabetical order; and (b) deleting “the Slovak Republic, Sweden or the United Kingdom” and inserting “the Slovak Republic or Sweden” in lieu thereof.
2. With respect to the published in-quota quantity of 96,161 kilograms allocated to the EU 27 for the TRQ in Additional U.S. Note 6 to Chapter 4 of the HTSUS, the UK shall have access to a quantity of not less than 14,062 kilograms and the EU 27 shall have access to a quantity of not less than 82,099 kilograms.
3. Additional U.S. Note 16 to Chapter 4 of the HTSUS is modified by: (a) Inserting “United Kingdom” into the list of countries in alphabetical order; (b) inserting a quota quantity of “2,213,374” in the Quantity (kg) column for the United Kingdom; (c) deleting the quantity “27,846,224” in the Quantity (kg) column for the EU27; and (d) “25,632,850” in the Quantity (kg) column for the EU27 in lieu thereof.
4. Additional U.S. Note 17 to Chapter 4 of the HTSUS is modified by: (a) Inserting “United Kingdom” into the list of countries in alphabetical order; (b) inserting a quota quantity of “23,617” in the Quantity (kg) column for the United Kingdom; (c) deleting the quantity “2,829,000” in the Quantity (kg) column for the EU27; and (d) inserting “2,805,383” in the Quantity (kg) column for the EU27 in lieu thereof.
5. Additional U.S. Note 18 to Chapter 4 of the HTSUS is modified by: (a) Inserting “United Kingdom” into the list of countries in alphabetical order; (b) inserting a quota quantity of “895,948” in the Quantity (kg) column for the United Kingdom; (c) deleting the quantity “1,31,000” in the Quantity (kg) column for the EU27;

and (d) inserting “417,052” in the Quantity (kg) column for the EU27 in lieu thereof.

For U.S. TRQs under Additional U.S. Notes 19 to 23 and 25 to Chapter 4, the UK otherwise will be eligible to export under the in-quota quantities allocated to “other countries or areas.” *See* Modification of U.S. Tariff-Rate Quotas and the Harmonized Tariff Schedule of the United States (86 FR 35560 (July 6, 2021)). Accordingly, the Licensing Authority has divided the amounts allocated to the EU under Additional U.S. Notes 6, 16, 17, and 18 in Appendices 1, 2, 3 and 4, as applicable, between the EU and the UK by directly applying the percentages used by the U.S. Trade Representative to allocate the overall TRQs under those notes.

Entities that currently hold EU-27 historical licenses for TRQs under Additional U.S. Notes 6, 16, 17, and 18 that wish to retain their EU-27 historical licenses and/or obtain UK historical licenses under these TRQs for the 2022 TRQ year and that otherwise qualify for carry over of such EU-27 historical licenses will be instructed to apply to carry over the EU-27 historical license and/or to obtain a UK historical license. The quantities of the new EU-27 license and/or UK license for the 2022 TRQ year that will be issued under these TRQs will be determined by allocating the original EU-27 license quantity between the two new licenses applying the same ratio that USTR used to split the applicable overall TRQ. Any discrepancies in quantities at the individual license level are due to rounding.

Notice of this action and specific instructions on how to apply for the 2022 TRQ year for EU-27 and UK historical licenses under these TRQs are being provided to all current holders of EU-27 historical licenses for TRQs under Additional U.S. Notes 6, 16, 17, and 18. The notice and instructions are also posted on USDA Foreign Agricultural Service’s Dairy Import Licensing Program’s website at:

<https://www.fas.usda.gov/programs/dairy-import-licensing-program> and also in the

Community Notices section of the Agricultural Trade License Administration System (ATLAS).

Finally, with regard to Additional U.S. Note 16, Cheese and Substitutes for Cheese, the quantity in Appendix 1 for EU-27 historical licenses includes an additional 21,768 kg and the quantity for EU-27 lottery licenses in Appendix 2 includes a reduction of 21,768 kg. This corrects a clerical error in the previously published quantities for Appendices 1 and 2. The correction does not change the overall quantity allotted to the EU-27 or the UK under Additional U.S. Note 16.

Lori Tortora,

Licensing Authority.

Articles Subject to Dairy Import Licenses (Kilograms) 1/

	Historical Licenses (Appendix 1) 2/	Lottery Licenses (Appendix 2) 3/	Sum of Appendix 1 & 2 4/	Designated Licenses (Tokyo Round, Appendix 3) 4/	Designated Licenses (Uruguay Round, Appendix 4) 4/	Total 4/
<b>NON-CHEESE ARTICLES, Notes 6, 7, 8, 12, 14 (Appendix 1 reduction)</b>						
<b>BUTTER (NOTE 6, Commodity Code G) (-19,466 kg)</b>	<b>4,205,995</b>	<b>2,771,005</b>	<b>6,977,000</b>			<b>6,977,000</b>
EU-27 5/						82,099
The United Kingdom	53,445	28,654	82,099			
New Zealand	9,154	4,908	14,062			14,062
Other Countries	76,503	74,090	150,593			
Any Country (-19,466 kg)	35,382	38,553	73,935			
<b>DRIED SKIM MILK (NOTE 7, Commodity Code K)</b>	<b>0</b>	<b>5,261,000</b>	<b>5,261,000</b>			<b>5,261,000</b>
Australia	0	600,076	600,076			
Canada	0	219,565	219,565			
Any Country	0	4,441,359	4,441,359			
<b>DRIED WHOLE MILK (NOTE 8, Commodity Code H)</b>	<b>0</b>	<b>3,321,300</b>	<b>3,321,300</b>			<b>3,321,300</b>
New Zealand	0	3,175	3,175			
Any Country	0	3,318,125	3,318,125			
<b>DRIED BUTTERMILK/WHEY</b>	<b>0</b>	<b>224,981</b>	<b>224,981</b>			<b>224,981</b>

<b>(NOTE 12, Commodity Code M)</b>						
Canada	0	161,161	161,161			
New Zealand	0	63,820	63,820			
<b>BUTTER SUBSTITUTES CONTAINING OVER 45 PERCENT OF BUTTERFAT AND/OR BUTTER OIL (NOTE 14, Commodity Code SU)</b>	<b>0</b>	<b>6,080,500</b>	<b>6,080,500</b>			<b>6,080,500</b>
Any Country	0	6,080,500	6,080,500			
<b>TOTAL: NON-CHEESE ARTICLES (-19,466 kg)</b>	<b>4,205,995</b>	<b>17,658,786</b>	<b>21,864,781</b>			<b>21,864,781</b>
<i><b>CHEESE ARTICLES (Notes 16, 17, 18, 19, 20, 21, 22, 23, 25) (Appendix I reduction)</b></i>						
<b>CHEESE AND SUBSTITUTES FOR CHEESE (NOTE 16, Commodity Code OT) (-648,520 kg)</b>	<b>17,021,404</b>	<b>14,448,327</b>	<b>31,469,731</b>	<b>9,661,128</b>	<b>7,496,000</b>	<b>48,626,859</b>
Argentina	0	7,690	7,690	92,310		100,000
Australia (-522,506 kg)	13,122	528,048	541,170	758,830	1,750,000	3,050,000
Canada (-54,507 kg)	895,655	245,345	1,141,000			1,141,000
Costa Rica	0	0	0		1,550,000	1,550,000
EU-27 (not including Portugal) (-34,573 kg)	12,769,952	8,505,615	21,275,567	835,707	3,168,576	25,279,850
Portugal	65,838	63,471	129,309	223,691		353,000
The United Kingdom	1,118,071	744,709	1,862,780	73,170	277,424	2,213,374
Israel	79,696	0	79,696	593,304		673,000
Iceland	29,054	264,946	294,000	29,000		323,000
New Zealand (-18,155 kg)	1,332,845	3,482,627	4,815,472	6,506,528		11,322,000
Norway	122,860	27,140	150,000			150,000
Switzerland	512,184	159,228	671,412	548,588	500,000	1,720,000
Uruguay	0	0	0		250,000	250,000
Other Countries (-18,779)	82,127	119,508	201,635			201,635
Any Country	0	300,000	300,000			300,000
<b>BLUE-MOLD CHEESE (NOTE 17, Commodity Code B) (-2,300 kg)</b>	<b>1,930,826</b>	<b>550,175</b>	<b>2,481,001</b>		<b>430,000</b>	<b>2,911,001</b>
Argentina	2,000	0	2,000			2,000
EU-27 (-2,300 kg)	1,912,724	545,581	2,458,305		347,078	2,805,383
The United Kingdom	16,102	4,593	20,695		2,922	23,617
Chile	0	0	0		80,000	80,000
Other Countries	0	1	1			1
<b>CHEDDAR CHEESE (NOTE 18, Commodity Code C) (-9,324 kg)</b>	<b>2,286,995</b>	<b>1,996,861</b>	<b>4,283,856</b>	<b>519,033</b>	<b>7,620,000</b>	<b>12,422,889</b>
Australia	881,894	102,605	984,499	215,501	1,250,000	2,450,000
Chile		0	0		220,000	220,000
EU-27	16,645	66,892	83,537		333,515	417,052
The United Kingdom	35,759	143,704	179,463		716,485	895,948

New Zealand	1,265,070	1,531,398	2,796,468	303,532	5,100,000	8,200,000
Other Countries (-9,324 kg)	87,627	52,262	139,889			139,889
Any Country		100,000	100,000			100,000
<b>AMERICAN-TYPE CHEESE (NOTE 19, Commodity Code A) (-4,536 kg)</b>	<b>1,146,898</b>	<b>2,018,655</b>	<b>3,165,553</b>	<b>357,003</b>	<b>0</b>	<b>3,522,556</b>
Australia	753,578	127,420	880,998	119,002		1,000,000
EU-27 (-4,536 kg)	131,539	222,461	354,000			354,000
New Zealand	158,725	1,603,274	1,761,999	238,001		2,000,000
Other Countries or Areas 6/	103,056	65,500	168,556			168,556
<b>EDAM AND GOUDA CHEESE (NOTE 20, Commodity Code D) (-10,902 kg)</b>	<b>4,270,567</b>	<b>1,335,835</b>	<b>5,606,402</b>	<b>0</b>	<b>1,210,000</b>	<b>6,816,402</b>
Argentina	105,418	19,582	125,000		110,000	235,000
EU-27 (-10,902 kg)	4,049,341	1,239,659	5,289,000		1,100,000	6,389,000
Norway	111,046	55,954	167,000			167,000
Other Countries or Areas 6/	4,762	20,640	25,402			25,402
<b>ITALIAN-TYPE CHEESES (NOTE 21, Commodity Code D) (-232,929 kg)</b>	<b>5,867,429</b>	<b>1,653,118</b>	<b>7,520,547</b>	<b>795,517</b>	<b>5,165,000</b>	<b>13,481,064</b>
Argentina (-157,571 kg)	3,530,236	595,247	4,125,483	367,517	1,890,000	6,383,000
EU-27 (-75,358 kg)	2,337,193	1,044,807	3,382,000		2,025,000	5,407,000
Romania	0	0	0		500,000	500,000
Uruguay	0	0	0	428,000	750,000	1,178,000
Other Countries or Areas 6/	0	13,064	13,064			13,064
<b>SWISS OR EMMENTHALER CHEESE (NOTE 22 Commodity Code GR)</b>	<b>4,228,895</b>	<b>2,422,419</b>	<b>6,651,314</b>	<b>823,519</b>	<b>380,000</b>	<b>7,854,833</b>
EU-27	2,979,351	2,172,643	5,151,994	393,006	380,000	5,925,000
Switzerland	1,216,046	203,441	1,419,487	430,513		1,850,000
Other Countries or Areas 6/	33,498	46,335	79,833			79,833
<b>LOW FAT CHEESE (NOTE 23, Commodity Code LF)</b>	<b>1,173,766</b>	<b>3,251,142</b>	<b>4,424,908</b>	<b>1,050,000</b>	<b>0</b>	<b>5,474,908</b>
EU-27	1,173,766	3,251,141	4,424,907			4,424,907
Israel	0	0	0	50,000		50,000
New Zealand	0	0	0	1,000,000		1,000,000
Other Countries or Areas 6/	0	1	1			1
<b>SWISS OR EMMENTHALER CHEESE WITH EYE FORMATION (NOTE 25, Commodity Code SW) (-108,457 kg)</b>	<b>12,983,391</b>	<b>9,313,940</b>	<b>22,297,331</b>	<b>9,557,945</b>	<b>2,620,000</b>	<b>34,475,276</b>
Argentina	0	9,115	9,115	70,885		80,000
Australia	209,698	0	209,698	290,302		500,000
Canada	0	0	0	70,000		70,000
EU-27 (-108,457 kg)	9,653,742	6,823,086	16,476,828	4,003,172	2,420,000	22,900,000
Iceland	0	149,999	149,999	150,001		300,000
Israel	27,000	0	27,000			27,000

Norway	2,285,329	1,369,981	3,655,310	3,227,690		6,883,000
Switzerland	759,369	924,736	1,684,105	1,745,895	200,000	3,630,000
Other Countries or Areas 6/	48,253	37,023	85,276			85,276
<b>TOTAL: CHEESE ARTICLES</b>	<b>50,910,171</b>	<b>36,990,472</b>	<b>87,900,643</b>	<b>22,764,145</b>	<b>24,921,000</b>	<b>135,585,788</b>
<b>TOTAL: CHEESE &amp; NON-CHEESE</b>	<b>55,116,166</b>	<b>54,649,258</b>	<b>109,765,424</b>	<b>22,764,145</b>	<b>24,921,000</b>	<b>157,450,569</b>

1/ Source of the total TRQs is the U.S. Harmonized Tariff Schedule, Chapter 4, in the corresponding Additional U.S. Notes.

2/ Reduced from 2020 by total of -1,036,434 KG

3/ Increased from 2020 by total of 1,036,434 KG

4/ No change.

5/ The list of countries in Additional U.S. Note 2 to Chapter 4 now includes "Croatia" and omits "the United Kingdom."

6/ For Additional U.S. Notes 19 to 23 and 25, the UK will be eligible to export under the in-quota quantities allocated to "other countries or areas."

[FR Doc. 2021-19106 Filed: 9/1/2021 8:45 am; Publication Date: 9/2/2021]