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CIAA Bulletin

An Exclusive CIAA Member  
Update

## USTR Announces Changes to Cheese TRQs To Account for Brexit

On July 6, 2021 the Office of the United States Trade Representative (“USTR”) [issued a Federal Register Notice](#) that, effective January 1, 2022, the Harmonized Tariff Schedule of the United States (“HTSUS”) would divide certain U.S. tariff-rate quotas (“TRQs”) currently allocated to the European Union (“EU”), between the EU and the United Kingdom (“UK”). The TRQs allow a limited quantity of a product to be imported at a lower rate of import duty than normal for said product. For 2021, the USTR determined that the UK would continue to be eligible to export into the U.S. under TRQs allocated to the EU. However, in light of the UK’s departure from the EU, beginning in calendar year 2022, the USTR will divide the TRQs allocated to the EU between the EU and UK according to the average percentage in-quota imports. These allocations are based upon historical import data from 2013-2015 (which is a similar period that the EU and UK used when evaluating quotas during the UK’s split from the EU). Additionally, due to its 2013 accession to the EU, Croatia will be added to the definition of the “EU” to replace the UK in the HTSUS. Cheese importers should be aware of these updates because imports of certain products under the HTSUS require import licenses and regulations may provide for the reallocation among supplying countries or areas of unfilled quantities.

Effective January 1, 2022 Chapter 4 of the HTSUS, Dairy Produce; Birds’ Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included will be modified in the following ways:

1. Under U.S. Note 2, the definition of the EU27 will be revised by replacing the UK with Croatia on the list of countries whose products are part of the “EU27”;
2. Under U.S. Note 16, the aggregate quantity of cheeses and substitutes for cheeses (except (i) cheese not containing cow’s milk; (ii) soft ripened cow’s milk cheese; (iii) cheese (except cottage cheese) containing 0.5 percent or

- less by weight of butterfat will be revised by inserting the UK into the list of countries, adding a quota quantity for the UK of 2,213,374 kg, and reducing the EU's quota quantity to 25,632,850 kg (previously it was 27,846,224 kg);
3. Under U.S. Note 17, the aggregate quantity of blue-mold cheese (except Stilton produced in the United Kingdom) and cheese and substitutes for cheese containing, or processed from, blue-mold cheese will be revised by inserting the UK into the list of countries, adding a quota quantity for the UK of 23,617 kg, and reducing the EU's quota quantity to 2,805,383 kg (previously it was 2,829,000 kg);
  4. Under U.S. Note 18, the aggregate quantity of Cheddar cheese and cheese and substitutes for cheese containing, or processed from Cheddar inserting the UK into the list of countries, adding a quota quantity for the UK of 895,948 kg, and reducing the EU's quota quantity to 417,052 kg (previously it was 1,313,000 kg);

Given the above, Cheese Importers should update their expected TRQs to reflect the new categorization of imports from the UK, the EU, and Croatia.

We have reached out to the USDA-Foreign Agricultural Service's Dairy Import Licensing Program for information regarding how this impacts applications for EU and UK dairy import licenses for calendar year 2022. We will provide an update as FAS shares additional information regarding the impact on dairy import license applications.

The CIAA will continue to monitor developments related to Brexit and keep members updated as additional changes or announcements are made that may impact dairy import licenses.

Members with questions regarding these developments should contact the Husch Blackwell LLP team at [CIAAGeneralCounsel@huschblackwell.com](mailto:CIAAGeneralCounsel@huschblackwell.com).

#### **Cheese Importers Association of America**

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President

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## **INDUSTRY DATES TO REMEMBER**

### **AUGUST 31, 2021**

Last day to enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2021 license.

### **SEPTEMBER 1, 2021**

First day of license eligibility period for next quota year-plus one. Example: entries made on or after September 1, 2021 can be used to establish eligibility for a license for calendar year 2022.

**SEPTEMBER 1, 2021**

Last date to request globalization of a calendar year 2021 license. First transmission date for applications for reallocated license amounts for calendar year 2021. First transmission date for all applications for calendar year 2022 licenses.

**SEPTEMBER 15, 2021**

(no exceptions!) Last transmission date for licensees applying for reallocated license amounts for calendar year 2021.

**OCTOBER 1, 2021**

(no exceptions!) Last transmission date for licensees to surrender all or the unused portion of their calendar year 2021 licenses.

**OCTOBER 15, 2021**

(no exceptions!) Last transmission date for all applications for calendar year 2022 licenses.

**OCTOBER 31, 2021**

Exporting countries that are designating U.S. importers for calendar year 2022 must submit their designations to FAS by this date.

**NOVEMBER 5, 2021**

Member Meeting

8:45 am - 9:30 am Continental Breakfast

9:30 am - 11:30 am Meeting

Saddle Brook Marriott

Saddle Brook, NJ

**DECEMBER 20, 2021**

(approximately) FAS issues first notice of calendar year 2022 licenses to licensees.

**DECEMBER 31, 2021**

Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2021 license amount. Last day for which calendar year 2021 licenses are valid

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