

China tariffs announced on food products

16 July 2018

The U.S. Trade Representative (USTR) further ratcheted up trade tensions by announcing a 10 percent ad valorem duty on US\$200 billion of Chinese imports. The list covers 6,031 tariff provisions, spanning a range of goods including textiles, machinery, food, and others. The Federal Register notice can be accessed [here](#). This is the latest volley between the United States and China, which started with the USTR levying a 25 percent tariff on US\$34 billion worth of Chinese imports due to "unfair Chinese practices" including forced technology transfers and industrial policy. China immediately retaliated on US\$34 billion worth of imports from the United States, and the United States responded with the most recent tariffs plus threats on an additional US\$300 billion in goods. If implemented, combined U.S. threats would effectively cover all Chinese imports, as China exported US\$505 billion of goods to the United States in 2017. Requests to testify on this latest list of tariffs are due 27 July, written comments 17 August, and rebuttal comments 30 August. There is no implementation date set yet, but it would be sometime after the 30 August deadline.

Covered food products

Meat and edible meat offal (Harmonized Tariff Schedule (HTS) (Ch. 2)

Certain swine meat, offal of bovine, meat and offal of rabbits and deer, and frog legs are listed under this chapter.

Fish and crustaceans, molluscs, and other aquatic invertebrates (Ch. 3)

Many types of fish are listed, including **live fish** such as trout, eels, carp, and certain tunas (0301). Certain **fresh or chilled fish** are listed, including trout, salmon, tunas, anchovies, sardines, mackerel, swordfish, cod, tilapias, catfish, carp, eels, seabass, shark fins, and others (0302). Many **frozen fish** are also listed, such as certain salmon, trout, tilapias, catfish, eels, herrings, sardines, mackerel, swordfish, cod, seabass, fresh-water fish, shark fins, and others (0303). Certain fresh or chilled **fish filets**, including tilapias, catfish, salmon, and trout, are covered (0304). **Shellfish** such as crawfish, lobsters, crabs, shrimp and prawns, oysters, scallops, mussels, and squid are included (0306, 0307) as are some sea cucumbers and urchins (0308).

Products of animal origin, not elsewhere specified or included (Ch. 4)

Products listed under this chapter include certain whey (0404), butter (0405), birds' eggs and egg yolks (0407, 0408), natural honey (0409), and other edible products of animal origin (0410).

Products of animal origin, not elsewhere specified or included (Ch. 5)

Certain animal hair and waste (0502, 0511); internal animal parts (0504); feathers (0505); bones (0506); shells, horns, and similar products (0507, 0508); and other products are listed.

Edible vegetables and certain roots and tubers (Ch. 7)

Many goods are listed under this chapter, including onions and garlic (0703); cauliflower, broccoli, cabbage, and kale (0704); carrots, turnips, and roots (0706); cucumbers and gherkins (0707); peas, beans, and lentils (0708); celery, mushrooms, chili peppers, and squash (0709); potatoes, peas, lima beans, spinach, sweet corn, bamboo shoots and water chestnuts, tomatoes, Brussels sprouts, and okra (0710); dried or powdered goods (0712); dried peas and beans (0713); and sweet potatoes and yams (0714).

Edible fruit and nuts; peel of citrus fruit or melons (Ch. 8)

A variety of nuts are listed, including certain coconuts and cashews (0801) as well as almonds, hazelnuts, walnuts, chestnuts, and pecans (0802). Many fruits are listed, including plantains and bananas (0803); dates, figs, pineapples, guavas, and mangoes (0804); oranges, mandarins, and clementines (0805); raisins and grapes (0806); and fresh apples, peaches, berries, and others (0808-0810). Certain fruits frozen in water or with sweetening are included (0811) as are some preserved fruits and nuts not for immediate consumption (0812). Certain dried fruits, including apricots and prunes (0813) and certain citrus fruit peels (0814) are also listed.

Cereals (Ch. 10)

Listed cereals include wheat and meslin (1001); barley (1003); oats (1004); certain corn (1005); certain rice (1006); grain sorghum (1007); and buckwheat, millet, and quinoa (1008).

Products of the milling industry; malt; starches; inulin; wheat gluten (Ch. 11)

Included are certain flours (1101-1102); meal and pellets of cereals (1103); grains of cereals (1104); flour and flakes of potatoes (1105); flour, meal, and powder of certain vegetables, nuts, and roots (1106); malt (1107); starches and inulin (1108); and wheat gluten (1109).

Oil seeds and oleaginous fruits; miscellaneous grains, seeds, and fruits; industrial or medicinal plants; straw and fodder (Ch. 12)

Listed products include soybeans (1201); peanuts (1202); flaxseed (1204); rape or colza seeds (1205); sunflower seeds (1206); sesame, mustard, safflower, melon, and poppy seeds (1207); certain flours and meals of soybeans and others (1208); certain seeds for sowing (1209); hop cones (1210); ginseng roots (1211); seaweeds and other algae, locust beans, and fruit stones (1212); cereal straw and husks (1213); and alfalfa meal and certain forage products (1214).

Vegetable plaiting materials; vegetable products not elsewhere specified or included (Ch. 14)

A few products are listed from this category, including bamboos and other vegetable materials for plaiting (1401) as well as cotton linters and certain other vegetable hair and materials (1404).

Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes (Ch. 15)

Listed products include certain fish oils (1504), wool grease and certain derivatives (1505), and certain animal fats and oils not chemically modified (1506).

Preparations of meat, of fish, or of crustaceans, mollusks, or other aquatic invertebrates (Ch. 16)

Included from this category are meat or meat offal of chickens (1602); extracts and juices of certain aquatic animals, including claims (1603); certain fish often in airtight containers (1604); and crabmeat, crabs, shrimp, prawns, lobster, oysters, scallops, mussels, squid, and many others (1605).

Sugars and sugar confectionery (Ch. 17)

Certain cane/beet sugar and pure sucrose (1701), sugars and sugar syrups (1702), and sugar confections and sweetmeats (1704) are included from this category.

Preparations of cereals, flour, starch, or milk; bakers' wares (Ch. 19)

Included are certain food preps without cocoa (1901); uncooked and stuffed pasta (1902); and bread, pastry, cake, and puddings (1905).

Preparations of vegetables, fruit, nuts, or other parts of plants (Ch. 20)

This category includes certain food prepared or preserved by vinegar or acetic acid or other methods (2001, 2005); prepared or preserved tomatoes (2002); mushrooms and truffles (2003); certain prepared or preserved frozen potatoes, beans, and vegetables (2004); and olives in a saline solution (2005). It also includes certain fruits and peels preserved by sugar (2006), jams (2007), and fruit pastes and purees (2007). Also included are certain peanuts, peanut butter and paste, prepared nuts, watermelon seeds, fruits, soybeans, ginger, Chinese water chestnuts, pulps, and bean cake (2008). Certain juices are included depending on preparation, Brix value, and other factors (2009).

Miscellaneous edible preparations (Ch. 21)

Soy sauce and certain mixed condiments and seasonings (2103) as well as protein concentrates and textured protein substances (2106) are included.

Beverages, spirits, and vinegar (Ch. 22)

Listed from here are certain waters, juices with vitamins or minerals, and nonalcoholic beverages (2202); malt beer (2203); certain grape wines (2204); rice wine or sake (2206); undenatured ethyl alcohol (2207); and vinegar and acetic acid substitutes (2209).

Residues and waste from the food industries; prepared animal feed (Ch. 23)

This category lists certain inedible flours, meals, and pellets (2301). It also includes certain brans and sharps (2302), other brewing or distilling waste (2303), oilcake and other solid residues (2305, 2306), dehydrated marigolds and other vegetable materials for animal feeding (2308), and dog or cat food for retail sale (2309).

If applied, these tariffs would only take effect with respect to goods made in and imported from China into the United States. As punitive tariffs, the 10 percent would be in addition to the existing tariff schedule.

What food importers should be doing

We suggest that food importers review the list to see if their products are included. If so, companies should assess whether they should submit a request that their products be removed from the list, testify at a hearing, and/or contact their members of Congress for support. Importers should also ensure that the tariff classifications they are using are correct, if their products are more properly classified elsewhere, and potentially outside of the list, or if they can

manipulate the ingredients or production process to change either the country of origin or the tariff classification of the products being imported. We are happy to assist clients with these efforts.

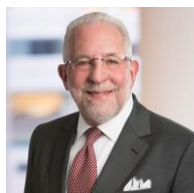
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