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Global Agricultural Information Network

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Japan Trade Agreements Affect US Sweetener Confections

Report Categories:

Trade Policy Monitoring

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Report Highlights:

The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) agreement entered into force on December 30, 2018, and a free trade agreement between Japan and the European Union entered into force on February 1, 2019. The two agreements could bring increased market competition for U.S. sugar products as both agreements contain tariff concessions for a range of sugar products, especially lactose. Japan imported approximately \$840 million of sugars and sugar confectionary items (which belong to HS codes under chapter 17) in 2017, and the trade value exceeds one billion dollars when including other products containing sugar.

Keywords: JA9003

General Information:

On December 10, 2018, the Government of Japan (GOJ) approved the Japan-European Union (EU) Economic Partnership Agreement (EPA) entered into effect on February 1, 2019. Earlier in 2017, Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) published on its website a summary of the tariff reductions for several EU agricultural products which largely resemble the concessions that Japan made in the Trans-Pacific Partnership (TPP) agreement negotiation. Meanwhile, with the completion of the requisite procedures for ratification, the Comprehensive and Progressive Trans-Pacific Partnership (hereinafter referred to as CPTPP¹) entered into force on December 30, 2018.

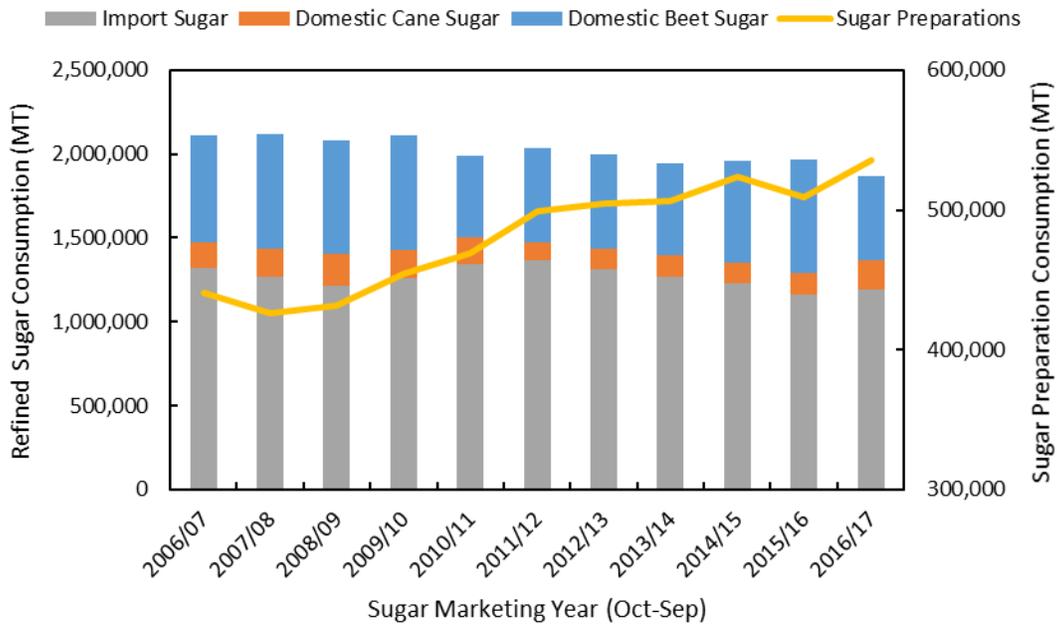
Market Situation

Japan's annual sweetener demand has been relatively stable (3.3 – 3.4 million MT) over the last 10 years. In 2016 (the last year data is available), Japan consumed approximately 1.9 million MT (MMT) in refined sugar, 800,000 MT in high-fructose corn syrup (HFCS), and 400,000 MT in sweetened preparations. The remainder was high-intensity sweetener. Though consumption of refined sugar has been declining gradually, raw sugar imports have decreased while imports of sweetened preparations have increased over the past 10 years (Fig. 1).

Japan's domestic sugar production is limited to beet and cane sugar and its annual production is generally 700,000 – 800,000 MT (depending on weather and growing conditions) (see Fig. 2).

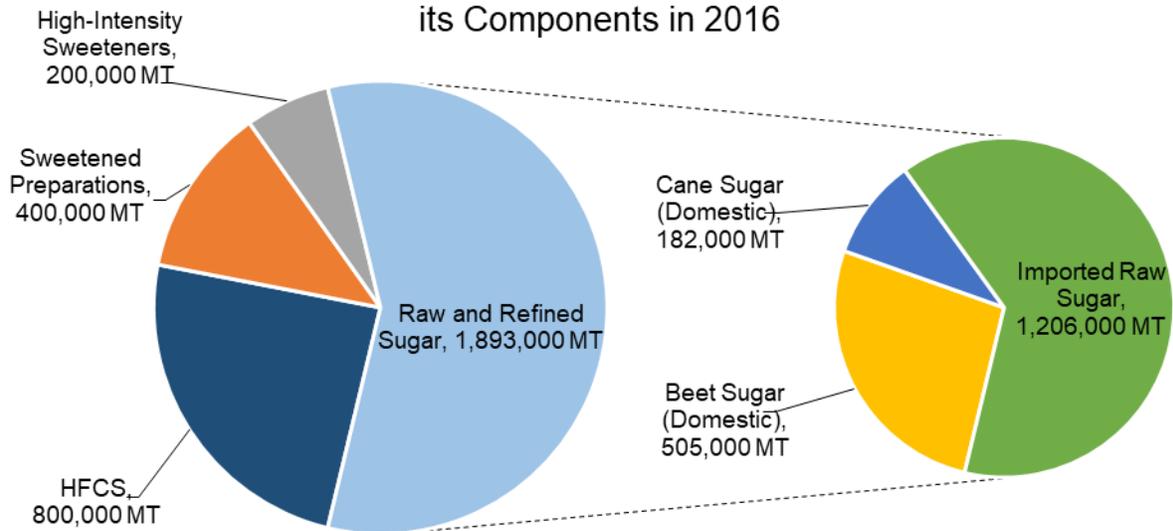
¹ The CPTPP countries are: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Fig.1 - Changes in Types of Sugar Consumed in Japan



Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

Fig.2 - Japan's Sweetener Consumption and its Components in 2016



Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

The remainder of Japanese sugar consumption is satisfied by imports (1,900,000 MT of refined sugar and other sweeteners). Since there is a large price gap between domestic and imported sugar, the government of Japan (GOJ) mandates that Japanese importers pay a markup² on raw and refined sugar

² The "Act on Price Adjustment of Sugar and Starch" mandates that importers submit a contract to ALIC prior to importation to sell imported sugar or products containing sugar at 50 percent or greater on weight basis to ALIC and simultaneously buy

to the Agriculture and Livestock Industries Corporation (ALIC). This markup is then used to ensure that domestic sugar producers remain competitive and supports domestic beet and cane farmers as well as Japan’s refinery companies.

The GOJ expanded the list of products subject to the markup to include sweetened preparations containing sugar at higher than 50 percent (on dry weight basis). The CPTPP established a tariff rate quota (TRQ) that is exempt from the markup.

Table 1: Japanese Imports of Sugars and Sugar Confectionary (HS code 17) in 2017

	Value	Share by Value	Volume (MT)
World	\$839,667,413		1,495,700
United States	\$71,271,423	8.5%	60,517
CPTPP	\$396,395,174	47.2%	859,624
Australia	\$355,585,750		848,485
Canada	\$26,658,833		
EU-28	\$117,163,218	14.0%	40,783
Germany	\$37,674,633		18,919
Netherlands	\$30,940,520		9,528
Belgium	\$11,784,432		2,441
Others	\$254,837,598	30.3%	534,776
Thailand	\$174,556,385		396,984
Philippines	\$18,988,787		42,333
China	\$17,207,086		11,865

Global

Source:
Trade Atlas

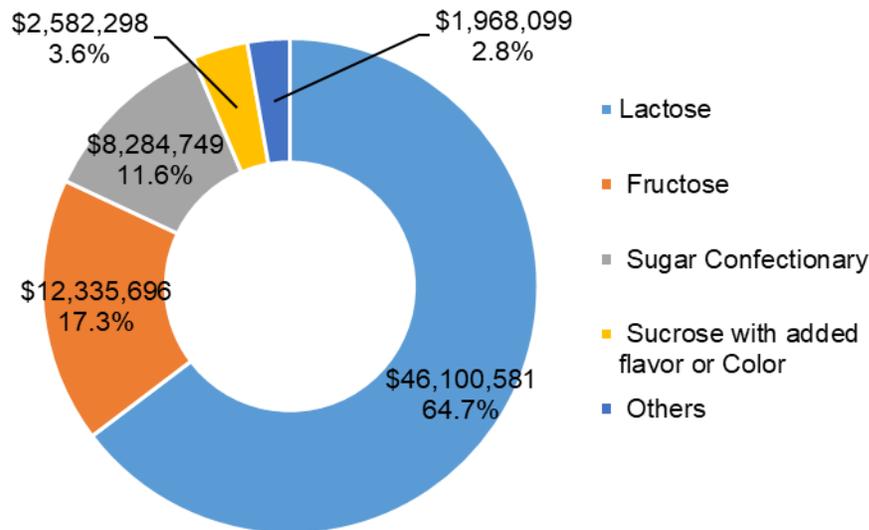
In 2017, the United States was Japan’s third largest supplier of sugar and sugar confectionary after Australia and Thailand with an import share of 8.5 percent and a value of \$71 million in 2017 (Table 1).

back the products from ALIC. ALIC, in turn, keeps the difference (markup) between the sales price and the purchase price to support domestic sugar beet and sugar cane farmers as well as refinery companies. ALIC’s selling price is determined every quarter based on average raw sugar price of New York future exchange.

Section 1: U.S. sugar and sugar confectionary items (under Chapter 17 of HS code)

Under Chapter 17, four major items (lactose, fructose, sugar confectionary and sucrose with added flavor or color) account for 97.2 percent of the U.S. sugar exports to Japan (Fig. 2).

Fig.2 - U.S. Exports of Sugar and Sugar Confectionary to Japan in 2017



Source: Global Trade Atlas

a) Lactose

Lactose makes up the lion's share of U.S. sugar exports to Japan, accounting for 64.7 percent with a value of \$46 million (fig. 2). The United States is the second largest supplier of lactose to Japan after the EU-28 (mainly Germany and Netherlands (Table 2)). CPTPP member countries also supply 8 percent Japan's lactose (mainly from New Zealand and Canada).

Under WTO Most Favorable Nation (MFN) treatment, Japan currently imposes an ad-valorem tariff of 8.5 percent to lactose imported from WTO Member States, including the United States. However, implementation of the CPTPP and EU-EPA will eliminate this 8.5 percent tariff immediately for those countries (Table 3).

Table -2: Japan's Imports of Lactose and Lactose syrup (HS 1702.11.000) in 2017

	Value	Share
World	\$ 101,334,756	
United States	\$ 46,100,581	45.5%
CPTPP	\$ 8,126,977	8.0%
New Zealand	\$ 4,921,068	
Canada	\$ 3,205,910	
EU-28	\$ 46,150,145	45.5%
Germany	\$ 25,615,678	
Netherlands	\$ 19,325,650	
Others	\$ 957,053	0.9%
Turkey	\$ 576,999	

Source:

Global Trade Atlas

Table 3 – Japan's Duty (HS 1702.11)

for Lactose (HS

HS Code	Product	CPTPP & Japan-EU EPA	WTO MFN Duty
1702.11.000	Lactose and Lactose Syrup Containing by Weight 99% or More Lactose, Expressed as Anhydrous Lactose	Immediate elimination	8.5 %

Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

b) (Chemically pure) Fructose

Fructose was the second largest U.S. sugar export to Japan in 2017, accounting for 17.3 percent of U.S. sugar exports to Japan and valued at \$12.3 million (Fig. 2). Of Japan's \$19.3 million in fructose imports in 2017, the United States was the leading supplier with an import share of 63.9 percent (Table 4). Turkey and the EU followed with 18.3 and 6.6 percent, respectively. There is no record of fructose imports from CPTPP members.

Under WTO MFN treatment, Japan imposes an ad-valorem tariff of 9 percent on imports of fructose. Implementation of the CPTPP and EU-EPA will eliminate this 9 percent of tariff immediately for those countries (Table 5).

Table 4 - Japan's Imports of Chemically pure Fructose (HS 1702.50.000) in 2017

	Value	Share
World	\$ 19,311,106	
United States	\$ 12,335,696	63.9%
EU-28	\$ 1,271,991	6.6%
Finland	\$ 1,271,991	
Others	\$ 5,703,419	29.5%
Turkey	\$ 3,534,755	
Israel	\$ 1,340,157	

Source: Global Trade Atlas

Table 5 – Japan's Duty for Fructose (HS 1702.50.000)

HS Code	Product	CPTPP & Japan-EU EPA	WTO MFN Duty
1702.50.000	Chemically Pure Fructose In Solid Form	Immediate elimination	9 %

Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

c) Sugar confectionary

i. Candies, White Chocolate and Confectionary

In 2017, Japan imported approximately \$100 million of candies, of which the United States accounted for \$8.3 million, and the EU accounted for \$59.5 million.

Japan's WTO MFN treatment for candies is 25 percent. Under the CPTPP agreement, Japan established a pooled duty-free quota for candies and white chocolate of 3,000 MT in Year 1 that will expand to 6,000 MT by Year 11 (Table 7). For the Japan-EU EPA, rather than establish a TRQ, Japan will reduce each tariff line annually, eliminating the tariff in Year 11 (from April 2028).

Table 6 - Japan's Imports of Candies, White Chocolate and Confectionary in 2017 (HS1704.90.210, HS1704.90.230, HS1704.90.290)

	Value	Share by Value	Volume (MT)	Share by Volume
World	\$ 100,045,931		16,499	
United States	\$ 8,254,923	8.3%	1,189	7.2%
CPTPP	\$ 8,119,690	8.1%	1,391	8.4%
Malaysia M	\$ 2,105,325		755	
Vietnam Vi	\$ 3,587,191		377	
EU-28	\$ 59,473,546	59.5%	9,158	55.5%
Germany G	\$ 11,142,679		1,964	
Netherlands N	\$ 11,594,447		1,922	
Hungary H	\$ 9,111,924		1,860	
Belgium Be	\$ 9,888,315		1,325	
Others	\$ 24,197,772	24.2%	4,761	28.9%
Thailand Th	\$ 7,684,965		1,635	
China C	\$ 7,173,574		1,134	

Table 7 – Pooled Quota for Candies, White Chocolate and Confectionary

HS Code	Product Description	CPTPP		Japan-EU EPA	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	In quota duty			
1704.90.210	Candies	Year 1 – 3,000 MT Year 2 – 3,300 MT Year 3 – 3,600 MT	Free	No TRQ Tariff will be reduced annually and eliminated in Year 11	25 %	
1704.90.230	White Chocolate	Year 4 – 3,900 MT Year 5 – 4,200 MT Year 6 – 4,500 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		

1704.90.290	Sugar Confectionery (Including White Chocolate), Not Containing Cocoa, N.E.S.	Year 7 – 4,800 MT Year 8 – 5,100 MT Year 9 – 5,400 MT Year 10 – 5,700 MT Year 11 – 6,000 MT (The total volume remains the same for Year 12 and subsequent year)		No TRQ Tariff will be reduced annually and eliminated in Year 11	
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Source: Japan’s Ministry of Agriculture, Forestry and Fisheries (MAFF)

ii. Chocolate

Chocolate is one of the largest U.S. sugar confection exports to Japan.³

In 2017, Japan imported approximately \$270 million of chocolate, of which the United States accounted for \$42.2 million (15.6 percent). The largest supplier was the EU with an import share of 56.6 percent (led by Belgium and France). CPTPP members (led by Malaysia and Singapore) accounted for 8.7 percent at a value of \$23.4 million.

Under WTO MFN treatment, Japan imposes an ad valorem tariff of 10 percent to imported chocolate. Under the CPTPP agreement, Japan established a new pooled TRQ for chocolate (Table 9). Initially, this duty-free TRQ will total 9,100 MT in Year 1, and will expand to 18,000 MT by Year 11. For the Japan-EU EPA, Japan will reduce each tariff line annually, eliminating the tariff in Year 11 (from April 2028).

Table 8 - Japan’s Imports of Chocolate in 2017
(HS 1806.31.000, HS 1806.32.100, HS 1806.90.100)

	Value	Share by Value	Volume (MT)	Share by Volume
World	\$ 269,546,193		27,475	
United States	\$ 42,153,638	15.6%	3,749	13.7%
CPTPP	\$ 23,441,915	8.7%	4,099	14.6%
Malaysia	\$ 9,077,040		1,768	
Singapore	\$ 4,632,610		908	

³ For other sugar confectionary items receiving special tariff treatment (e.g., TRQs), please see section 2 below. For items not listed in this report, please see the tariff schedules of the [Japan-EU EPA](#) and [CPTPP](#) agreements.

EU-28		\$ 152,460,196	56.6%	11,861	43.2%
Belgium	Be	\$ 54,522,804		3,598	
France	Fr	\$ 43,563,846		3,011	
Italy	Ita	\$ 28,443,164		2,412	
Others		\$ 51,490,444	19.1%	7,856	28.5%
China	C	\$ 23,270,232		4,531	

Table 9 – Pooled Quota for Chocolate

HS Code	Product Description	CPTPP		Japan-EU EPA	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	In quota duty			
1806.31.000	Chocolate and Other Food Preparations containing Cocoa, in Blocks, Slabs or Bars, Filled, Weighing not more than 2 Kg	Year 1 – 9,100 MT Year 2 – 9,990 MT Year 3 – 10,880 MT	Free	No TRQ Tariff will be reduced annually and eliminated in Year 11	10 %	
1806.32.100	Chocolate Confectionery, in Blocks, Slabs or Bars, Not Filled, Weighing not more than 2 Kg	Year 4 – 11,770 MT Year 5 – 12,660 MT Year 6 – 13,550 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		
1806.90.100	Chocolate Confectionery, Other than in Blocks, Slabs or Bars, Weighing not more than 2 Kg	Year 7 – 14,440 MT Year 8 – 15,330 MT Year 9 – 16,220 MT Year 10 – 17,110 MT Year 11 – 18,000 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		

		(The total volume remains the same for Year 12 and subsequent year)			
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Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

d) Sucrose with added flavor or color

Sucrose with added flavor or color (hereafter referred to as “added sucrose”) was the fourth largest U.S. sugar export in 2017, accounting for 3.6 percent of U.S. sugar exports to Japan that were valued at \$2.6 million (Fig. 2). The United States was the largest supplier of “added sucrose” to Japan with an import share of 69.3 percent, followed by the EU (predominantly France) with 29.5 percent. There was no record of added sucrose imports from CPTPP members in 2017 (Table 10).

Japan currently imposes a specific duty of 39.98 Japanese Yen (JPY) per kilogram (Kg) to “added sucrose.” Upon effectuation of the CPTPP and Japan-EU EPA, Japan will establish a pooled TRQ of 500 MT for raw⁴ and refined sugar items including “added sucrose” (Table 11). The CPTPP and Japan-EU EPA each establish a TRQ that is free of both a tariff and an ALIC mark-up. However, the use of sugar imported through this TRQ is restricted to use for product testing and development only. Importers are required to provide a certificate guaranteeing that the sugar imported under this TRQ will be used for approved purposes.

Table 10: Japan's Imports of Sucrose with added flavor or color (HS 1701.91.000) in 2017

	Value	Share	Volume (MT)
World	\$3,723,882		1,275
United States	\$2,582,298	69.3%	1,069
EU-28	\$1,099,369	29.5%	200
France	\$1,064,998		
Others	\$42,215	1.1%	6
Sri Lanka	\$22,527		

Table 11 – Pooled quota for raw sugars

HS Code	Product Description	CPTPP & Japan-EU EPA	WTO MFN
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⁴ Raw sugar means sugar whose sucrose content, by weight, and in the dry state, corresponds to a polarimeter reading of less than 99.5°.

		Tariff Rate Quota (TRQ)	In quota duty	Out of quota duty	Duty
1701.12.100	Raw beet sugar for industrial refining, not containing added flavoring or coloring matter, whose sucrose content by dry weight is less than 98.5 degree	500 MT immediately (The total volume remains the same for Year 2 and subsequent year) Required to be certified for product development purpose only	Free (No Markup)	Free + Markup (Markup can be as high as 71.8 yen/kg)	
1701.12.200	Raw beet sugar, other (sucrose content by dry weight is between 98.5 and 99.5 degree)			21.5 yen/kg + Markup (The combined total is not to exceed 103.1 yen/kg)	
1701.14.110	Raw cane sugar for industrial refining, not containing added flavoring or coloring matter, whose sucrose content by dry weight is less than 98.5 degree			Free + Markup (Markup can be as high as 71.8 yen/kg)	
1701.14.200	Raw cane sugar, other (sucrose content by dry weight is between 98.5 and 99.5 degree)			21.5 yen/kg + Markup (The combined total is not to exceed 103.1 yen/kg)	
1701.91.000	Sucrose, containing added flavoring or coloring matter			39.98 yen/kg + Markup (The combined total is not to exceed 106.2 yen/kg)	
1701.99.100	Sucrose (rock candy, cube sugar, loaf sugar and similar sugar)			39.98 yen/kg + Markup (The combined total is not to exceed 106.2 yen/kg)	
1701.99.200	Sucrose, other (sucrose content by dry weight is greater than 99.5 degree)			21.5 yen/kg + Markup (The combined total is not to exceed 103.1 yen/kg)	
1702.90.110	Centrifugal sugar, including invert sugar and other sugar and sugar syrup containing 50% by dry weight of fructose			24.5% + Markup (The combined total is not to exceed 61.9%)	
1702.90.211	Centrifugal sugar syrup, including invert sugar and other sugar and sugar syrup containing 50% by dry weight of fructose			24.6% or 13.3 yen/kg, whichever higher + Markup (The combined total is not to exceed 35.4% or 47 yen/kg, whichever higher)	
1702.90.521	Sugars and sugar syrups containing added sugar, other			24.6% or 13.3 yen/kg, whichever higher + Markup (The combined total is no to exceed 114.2% or 89.5 yen/kg, whichever higher)	
2106.90.221	Centrifugal sugar syrups containing added flavoring or coloring matter	24.6% or 13.3 yen/kg, whichever higher			

Section 2: Japan's Sensitive Sugar Items

Japan identified sugar as a sensitive domestic industry, and thus established 14 TRQs to limit the competition to domestic sugar industries upon implementations of trade agreements. The United States held less than 10 percent import market share for the items described under this section in 2017.

For other products not covered in this paper, please see the following documents distributed by the GOJ; [Japan-EU EPA](#) and [CPTPP](#). For starch, please see [JA8098](#).

a) Chewing Gum and Other Sugar Confectionary, Containing Cocoa

HS Code	Product Description	CPTPP		Japan-EU EPA	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	In quota duty			
1806.20.111	Chewing gum and other Sugar Confectionary containing Cocoa in Blocks, Slabs or Bars, the largest ingredient of which is sugar by weight	Year 1 – 180 MT Year 2 – 198 MT Year 3 – 216 MT Year 4 – 234 MT Year 5 – 252 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11	29.8 %	
1806.20.119	Chocolate and other Food Preparations containing Cocoa in Blocks, Slabs or Bars, Containing Added Sugar, Other	Year 6 – 270 MT Year 7 – 288 MT Year 8 – 306 MT Year 9 – 324 MT Year 10 – 342 MT Year 11 – 360 MT (The total volume remains at 360 MT for Year 12 and subsequent year)	Free	No TRQ Tariff will be reduced annually and eliminated in Year 11		

b) Cocoa Preparations, Containing Added Sugar Weighing Not More Than 2 KG

HS Code	Product Description	CPTPP		Japan-EU EPA	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	In quota duty			
1806.32.211	Chocolate and other Food Preparations (including Chewing gum and other Sugar Confectionary), Containing Cocoa, Weighing Not More than 2 Kg, the largest ingredient of which is sugar by weight For description of each tariff line, please see the following official documents. CPTPP – Here EU-Japan EPA- Here	Year 1 – 2,700 MT	Free	No TRQ Tariff will be reduced annually and eliminated in Year 11	29.8 %	
1806.32.219		Year 2 – 2,930 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		
1806.90.211		Year 3 – 3,160 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		
1806.90.219		Year 4 – 3,390 MT		No TRQ Tariff will be reduced annually and eliminated in Year 11		
		Year 5 – 3,620 MT				
		Year 6 – 3,850 MT				
		Year 7 – 4,080 MT				
		Year 8 – 4,310 MT				
		Year 9 – 4,540 MT				
		Year 10 – 4,770 MT				
		Year 11 – 5,000 MT				
		(The total volume remains at 5,000 MT for Year 12 and subsequent year)				

c) Coffee, Tea Mixes, Food Preparations and Doughs

HS Code	Product Description	CPTPP	Japan-EU EPA	In quota duty	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	Tariff Rate Quota (TRQ)			
1702.90.219	For description of each tariff line, please see the following official documents. CPTPP – Here	Year 1 – 8,600 MT	Year 1 – 1,270 MT	Free	29.8% or 23 JPY/kg, whichever is the greater	
1901.20.239		Year 2 – 8,940 MT	Year 2 – 1,321 MT			
1901.90.217		Year 3 – 9,280 MT	Year 3 – 1,372 MT			
1901.90.248		Year 4 – 9,620 MT	Year 4 – 1,423 MT			
1901.90.253						
2101.12.110						
2101.12.246						

2101.20.246 2106.90.251 2106.90.271 2106.90.272 2106.90.281 2106.90.279 (CPTPP only)	Japan-EU EPA- Here	MT Year 5 – 9,960 MT Year 6 – 10,300 MT Year 7 – 10,640 MT Year 8 – 10,980 MT Year 9 – 11,320 MT Year 10 – 11,660 MT Year 11 – 12,000 MT (The total volume remains at 12,000 MT for Year 12 and subsequent year)	MT Year 5 – 1,474 MT Year 6 – 1,525 MT Year 7 – 1,576 MT Year 8 – 1,627 MT Year 9 – 1,678 MT Year 10 – 1,729 MT Year 11 – 1,780 MT (The total volume remains at 1,780 MT for Year 12 and subsequent year)		
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d) Food Preparations

HS Code	Product Description	CPTPP	Japan-EU EPA	In quota duty	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	Tariff Rate Quota (TRQ)			
2106.90.590	Other Food Preparation, Containing Added Sugar, More Than 50% by Weight of Sucrose, N.E.S.	Year 1 – 1,920 MT Year 2 – 2,028 MT Year 3 – 2,136 MT Year 4 – 2,244 MT Year 5 – 2,352 MT Year 6 – 2,460 MT Year 7 – 2,568 MT Year 8 – 2,676 MT Year 9 – 2,784 MT Year 10 – 2,892 MT Year 11 – 3,000 MT (The total	Year 1 – 150.0 MT Year 2 – 157.5 MT Year 3 – 165.0 MT Year 4 – 172.5 MT Year 5 – 180.0 MT Year 6 – 187.5 MT Year 7 – 195.0 MT Year 8 – 202.5 MT Year 9 – 210.0 MT Year 10 – 217.5 MT Year 11 – 225.0 MT (The total	Free	29.8%	

		volume remains at 3,000 MT for Year 12 and subsequent year)	volume remains at 225 MT for Year 12 and subsequent year)		
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e) Cocoa Preparations, Containing Added Sugar Weighing More than 2 KG

HS Code	Product Description	CPTPP		Japan-EU EPA	Out of quota duty	WTO MFN Duty
		Tariff Rate Quota (TRQ)	In quota duty			
1806.20.190	Chocolate and Other Food Preparations, Containing Cocoa, In Liquid, Powder, Granular or Other Bulk Form, In Containers, exceeding 2 Kg, N.E.S.	Year 1 – 12,000 MT Year 2 – 13,320 MT Year 3 – 14,640 MT Year 4 – 15,960 MT Year 5 – 17,280 MT Year 6 – 18,680 MT Year 7 – 18,680 MT Year 8 – 18,680 MT Year 9 – 18,680 MT Year 10 – 18,680 MT Year 11 – 18,680 MT (The total volume remains at 18,680 MT for Year 12 and subsequent year)	Year 1 – 26.9% Year 2 – 25.9% Year 3 – 24.9% Year 4 – 23.9% Year 5 – 22.9% Year 6 – 21.8% Year 7 – 20.8% Year 8 – 19.8% Year 9 – 18.8% Year 10 – 17.8% Year 11 – 16.8% (The total volume remains at 16.8% for Year 12 and subsequent year)	No TRQ Tariff will be reduced annually and eliminated in Year 11	28.0 %	

f) Food Preparations Containing Dairy and Sugar (Less than 50%)

HS Code	Product Descriptio	Yea	CPTPP		Japan-EU EPA		Out	WT
			Tariff	In quota	Tariff	In quota		

	n	r	Rate Quota (TRQ)	duty	Rate Quota (TRQ)	duty	of quota duty	O MFN Duty
1901.90.211	Food Preparations, containing Less Than 30% Natural Milk Constituents, containing Added Sugar and Less Than 50% by Weight of Sucrose, the Largest Single Ingredient of which is Sugar	Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11	2,200 MT 2,250 MT 2,300 MT 2,350 MT 2,400 MT 2,450 MT 2,500 MT 2,550 MT 2,600 MT 2,650 MT 2,700 MT MT	26.7% 25.4% 24.1% 22.9% 21.6% 20.3% 19.0% 17.8% 16.5% 15.2% 14.0% (In-quota duty remains at 14.0% for Year 12 and subsequent year)	3,500 MT 3,850 MT 4,200 MT 4,550 MT 4,900 MT 5,250 MT 5,600 MT 5,950 MT 6,300 MT 6,650 MT 7,000 MT MT	14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% (In-quota duty remains at 14.0% for Year 12 and subsequent year)	28.0%	
			(The total volume remains at 2,700 MT for Year 12 and subsequent year)		(The total volume remains at 7,000 MT for Year 12 and subsequent year)			

g) Other Food Preparations Containing Sugar

HS Code	Product Description	Year	CPTPP		Japan-EU EPA		Out of quota duty	WTO MFN Duty
			Tariff Rate Quota (TRQ)	In quota duty	Tariff Rate Quota (TRQ)	In quota duty		
1701.13.000 1701.14.190	Molasses Sugar	Year 1 Year 2 Year 3 Year 4 Year 5 Year	20.0 MT 20.5 MT 21.0 MT 21.5 MT 22.0 MT 22.5 MT 23.0 MT 23.5 MT 24.0 MT 24.5 MT 25.0 MT	Free	100 MT 103 MT 106 MT 109 MT 112 MT 115 MT 118 MT 121 MT 124 MT 127 MT 130 MT	Free	35.3 yen/kg	

		Year 6 Year 7 Year 8 Year 9 Year 10 Year 11					
			(The total TRQ remains at 25 MT for Year 12 and after)				
2005.40.190 2005.51.190 2005.99.119	Preparations of Peas, Beans and Leguminous Vegetables, Containing Added Sugar, Not Frozen	Year 1 Year 2 Year 3 Year 4 Year 5 Year 6	380 MT 464 MT 548 MT 632 MT 716 MT 800 MT	Free			1.0%
			(The total TRQ remains at 800 MT for Year 7 and after)				
2106.90.282 2106.90.510	Other Food Preparation, Containing Added Sugar, More than 50% by Weight of Sucrose	Year 1 Year 2 Year 3 Year 4 Year 5 Year 6	50 MT 55 MT 60 MT 65 MT 70 MT 75 MT	Free	Free		35.3 yen/kg
			(The total TRQ remains at 75 MT for Year 7 and after)				
1901.90.219	Food Preparations Containing Dairy and Sugar (More than 50%)	Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7	10,500 MT 10,680 MT 10,860 MT 11,040 MT 11,220 MT 11,400 MT 11,580 MT	28.7% 27.6% 26.5% 25.4% 24.3% 23.3% 22.2% 21.1% 20.0% 18.9% 17.9%		28.7% 27.6% 26.5% 25.4% 24.3% 23.3% 22.2% 21.1% 20.0% 18.9% 17.9%	28.0%

		Year 8	11,760 MT				
		Year 9	11,940 MT				
		Year 10	12,120 MT				
		Year 11	12,300 MT				
			(The total TRQ and in-quota duty remain at 12,300 MT and 17.9% for Year 12 and after)			(The in-quota duty remain at 17.9 % for Year 12 and after)	
2106.90.284	Food Preparations Containing Dairy and Sugar (More than 85%)	Year 1	5,500 MT	28.7%			
			6,040 MT	27.6%			
		Year 2	6,580 MT	26.5%			
			7,120 MT	25.4%			
		Year 3	7,660 MT	24.3%			
			8,200 MT	23.3%			
		Year 4	8,200 MT	22.2%			
			8,200 MT	21.1%			
		Year 5	8,200 MT	20.0%			
			8,200 MT	18.9%			
		Year 6	8,200 MT	17.9%			
		Year 7	(The total TRQ and in-quota duty remain at 8,200 MT and 17.9 % for Year 12 and after)				29.8%
		Year 8					
		Year 9					
		Year 10					
		Year 11					
1806.10.100	Cocoa Powder, Containing Added Sugar	Year 1	5,000 MT	28.4%		28.4%	
			5,500 MT	27.0%		27.0%	
		Year 2	6,000 MT	25.7%		25.7%	
			6,500 MT	24.3%		24.3%	
		Year 3	7,000 MT	23.0%		23.0%	
			7,500 MT	21.6%		21.6%	
		Year 4	7,500 MT	20.3%		20.3%	
			7,500 MT	18.9%		18.9%	
		Year 5	7,500 MT	17.6%		17.6%	
			7,500 MT	16.2%		16.2%	
		Year 6	7,500 MT	14.9%		14.9%	
		Year 7	(The total TRQ and in-quota duty remain at 7,500 MT and 14.9 % for Year 12 and after)			(The in-quota duty remain at 14.9 % for Year 12 and after)	29.8%
		Year 8					
		Year 9					
		Year					

		10 Year 11				
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