



# **Amendment of Regulation (EU) No 481/2012 laying down rules for the management of a tariff quota for high-quality beef**

Civil Dialogue Group 1 October 2019

# Background

- **Currently quota: 45 000 tonnes net weight at zero duty.**
- **Established by the EU under the 2009 Memorandum of Understanding (MoU) with the US.**
- **It aims to solve the WTO dispute on the EU hormones ban.**
- **Opened by Council Regulation (EC) 617/2009**
- **Managed by Implementing Regulation (EU) 481/2012**

# Background

- It's (**was**) the only duty-free quota for beef
- Highly used (>99 %)
- **Erga omnes**: currently 6 countries authorized: US, Canada, Australia, New Zealand, Uruguay and Argentina

ANNEX II

Requirements for goods under the tariff quota referred to in Article 1

1. Beef cuts are obtained from carcasses of heifers and steers <sup>(1)</sup> less than 30 months of age which have only been fed a diet, for at least the last 100 days before slaughter, containing not less than 62 % of concentrates and/or feed grain co-products on a dietary dry matter basis, that meets or exceeds a metabolisable energy content greater than 12,26 mega joules per one kilogram of dry matter.
2. The heifers and steers that are fed the diet described in point 1 shall be fed, on average, no less than 1,4 % of live body weight per day on a dry matter basis.
3. The carcass from which beef cuts are derived are evaluated by an evaluator employed by the national government who bases the evaluation, and a resulting classification of the carcass, on a method approved by the national government. The national government evaluation method, and its classifications, must evaluate expected carcass quality using a combination of carcass maturity and palatability traits of the beef cuts. Such an evaluation method of the carcass shall include, but not be limited to, an evaluation of the maturity characteristics of colour and texture of the longissimus dorsi muscle and bone and cartilage ossification, as well as an evaluation of expected palatability traits including a combination of the discrete specifications of intramuscular fat and firmness of the longissimus dorsi muscle.
4. The cuts shall be labelled in accordance with Article 13 of Regulation (EC) No 1760/2000 of the European Parliament and of the Council <sup>(2)</sup>.
5. The indication 'High Quality Beef' may be added to the information on the label.

# Background

- Suppliers other than US are **more competitive** and benefit more from the quota.
- **The review of the MoU** was requested by the previous US Administration in 2016 and the two sides have since then discussed the US concerns on the implementation of the MoU on a regular basis.
- Following the request by the Commission to the Council of the **negotiating mandate** on 3 September 2018, consultations with Member States were held in the Trade Policy Committee of the Council on 14 and 28 September 2018, and the Council adopted the mandate on **19 October 2018**.

# Background

- The Commission finalised the draft agreement with the US in **February 2019**.
- The agreement received the support of MSs in the Trade Policy Committee on 26 March 2019.
- According to WTO rules, the agreement of **suppliers with substantial interests** (Australia, Uruguay and Argentina) on the new quota division was obtained.
- The Commission sent to the Council the recommendations to sign the agreement on 24 June 2019
- The council adopted the decision on 15 July 2019 and the **agreement was signed on 2 August 2019**.

# Future steps

- The signed Agreement was sent to European Parliament for the **consent**.
- The INTA and AGRI Committee of the EP will adopt their opinion and the consent from the Plenary.
- The Council will **adopt the agreement** after receiving EP consent
- The **Commission implementing regulation 481/2012** needs to be modified and entry into force on the same day of the Council's decision.

# Content of the agreement

- **The EU shall allocate to the US 35 000 metric tonnes of the 45 000 metric tonnes of the quota**
- **The allocation shall be phased in over a period of 7 years as follows:**

	United States	All others
Year 1	18 500 metric tonnes	26 500 metric tonnes
Year 2	23 000 metric tonnes	22 000 metric tonnes
Year 3	25 400 metric tonnes	19 600 metric tonnes
Year 4	27 800 metric tonnes	17 200 metric tonnes
Year 5	30 200 metric tonnes	14 800 metric tonnes
Year 6	32 600 metric tonnes	12 400 metric tonnes
Year 7 and subsequent years	35 000 metric tonnes	10 000 metric tonnes

# Content of the agreement

- **The quota year shall begin on 1 July and end on 30 June**
- **Should this Agreement enter into force on a date other than 1 July, Year 1 of the implementation period shall start on the first day of the next sub-period of the quota year and shall last for four consecutive sub-periods**



**Quota year  $\neq$  implementation year**

# Quota years

## Implementation years

N codes	Description of goods	Tariff quota periods and subperiods	Country			Tariff quota duty
			All countries	US	Other countries	
			Order number			
			09.xxxx	09.xxxx	09.xxxx	
Tariff quota volume (in tonnes net weight)						
201	Meat of bovine animals, chilled or frozen, that fulfils the requirements laid down in Annex II	<b>From 1 July 2019 to 30 June 2020</b>				Zero
202		From 1 July to 30 September	11 250	-	-	
206 10 95		From 1 October to 31 December	11 250	-	-	
206 29 91		From 1 January to 31 March	-	4 625	6 625	
		From 1 April to 30 June	-	4 625	6 625	
		<b>From 1 July 2020 to 30 June 2021</b>				<b>Year 1</b>
		From 1 July to 30 September	-	4 625	6 625	<b>US</b>
		From 1 October to 31 December	-	4 625	6 625	<b>Others</b>
		From 1 January to 31 March	-	5 750	5 500	<b>26 500</b>
		From 1 April to 30 June	-	5 750	5 500	<b>US</b>
		<b>From 1 July 2021 to 30 June 2022</b>				<b>Year 2</b>
		From 1 July to 30 September	-	5 750	5 500	<b>US</b>
		From 1 October to 31 December	-	5 750	5 500	<b>Others</b>
		From 1 January to 31 March	-	6 350	4 900	<b>22 000</b>
		From 1 April to 30 June	-	6 350	4 900	<b>US</b>
		<b>From 1 July 2022 to 30 June 2023</b>				<b>Year 3</b>
		From 1 July to 30 September	-	6 350	4 900	<b>US</b>
		From 1 October to 31 December	-	6 350	4 900	<b>Others</b>
		From 1 January to 31 March	-	6 950	4 300	<b>19 600</b>
		From 1 April to 30 June	-	6 950	4 300	<b>US</b>
		<b>From 1 July 2023 to 30 June 2024</b>				<b>Year 4</b>
		From 1 July to 30 September	-	6 950	4 300	<b>US</b>
		From 1 October to 31 December	-	6 950	4 300	<b>Others</b>
		From 1 January to 31 March	-	7 550	3 700	<b>27 800</b>
		From 1 April to 30 June	-	7 550	3 700	<b>US</b>
		<b>From 1 July 2024 to 30 June 2025</b>				<b>Year 5</b>
	From 1 July to 30 September	-	7 550	3 700	<b>US</b>	
	From 1 October to 31 December	-	7 550	3 700	<b>Others</b>	
	From 1 January to 31 March	-	8 150	3 100	<b>14 800</b>	
	From 1 April to 30 June	-	8 150	3 100	<b>US</b>	
	<b>From 1 July 2025 to 30 June 2026</b>				<b>Year 6</b>	
	From 1 July to 30 September	-	8 150	3 100	<b>US</b>	
	From 1 October to 31 December	-	8 150	3 100	<b>Others</b>	
	From 1 January to 31 March	-	8 750	2 500	<b>32 600</b>	
	From 1 April to 30 June	-	8 750	2 500	<b>US</b>	
	<b>From 1 July 2026</b>				<b>Year 7</b>	
	From 1 July to 30 September	-	8 750	2 500	<b>US</b>	
	From 1 October to 31 December	-	8 750	2 500	<b>Others</b>	
	From 1 January to 31 March	-	8 750	2 500	<b>12 400</b>	
	From 1 April to 30 June	-	8 750	2 500	<b>US</b>	
					<b>Year 7 and beyond</b>	
					<b>Others</b>	
					<b>35 000</b>	
					<b>10 000</b>	

	<b>US</b>	<b>18 500</b>
<b>Year 1</b>	<b>Others</b>	<b>26 500</b>
	<b>US</b>	<b>23 000</b>
<b>Year 2</b>	<b>Others</b>	<b>22 000</b>
	<b>US</b>	<b>25 400</b>
<b>Year 3</b>	<b>Others</b>	<b>19 600</b>
	<b>US</b>	<b>27 800</b>
<b>Year 4</b>	<b>Others</b>	<b>17 200</b>
	<b>US</b>	<b>30 200</b>
<b>Year 5</b>	<b>Others</b>	<b>14 800</b>
	<b>US</b>	<b>32 600</b>
<b>Year 6</b>	<b>Others</b>	<b>12 400</b>
	<b>US</b>	<b>35 000</b>
<b>Year 7 and beyond</b>	<b>Others</b>	<b>10 000</b>



# Timeline

- **Draft Regulation discussed with Member States in the Committee of 19 September 2019.**
- **Vote not yet scheduled, depending on EP and Council scheduling.**

***Thank you for your attention***