



CETA – implementation experience

Expert Group CROPS MARKET OBSERVATORY

5th October 2020



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| Year | Applied Duty |
|----------------------------|-------------------------------------------------------------------|
| 1 | 87.5 % of the duty calculated as per EC Reg. 642/2010 |
| 2 | 75 % of the duty calculated as per EC Reg. 642/2010 |
| 3 | 62.5 % of the duty calculated as per EC Reg. 642/2010 |
| 4 | 50 % of the duty calculated as per EC Reg. 642/2010 |
| 5 | 37.5 % of the duty calculated as per EC Reg. 642/2010 |
| 6 | 25 % of the duty calculated as per EC Reg. 642/2010 |
| 7 | 12.5 % of the duty calculated as per EC Reg. 642/2010 |
| 8 and each subsequent year | 0 % of the duty calculated as per EC Reg. 642/2010 (duty-free) |

TARIFF RATE QUOTA

- Low and Medium Quality Common Wheat (CN code 1001 99 00)

| Year | Aggregate Annual Quantity (Metric Tonnes) |
|----------------|----------------------------------------------|
| 1 through to 7 | 100,000 |

- Duty-free and transitional (ends at year 8)

This includes the 38,853 tonne previous quota allocation to Canada



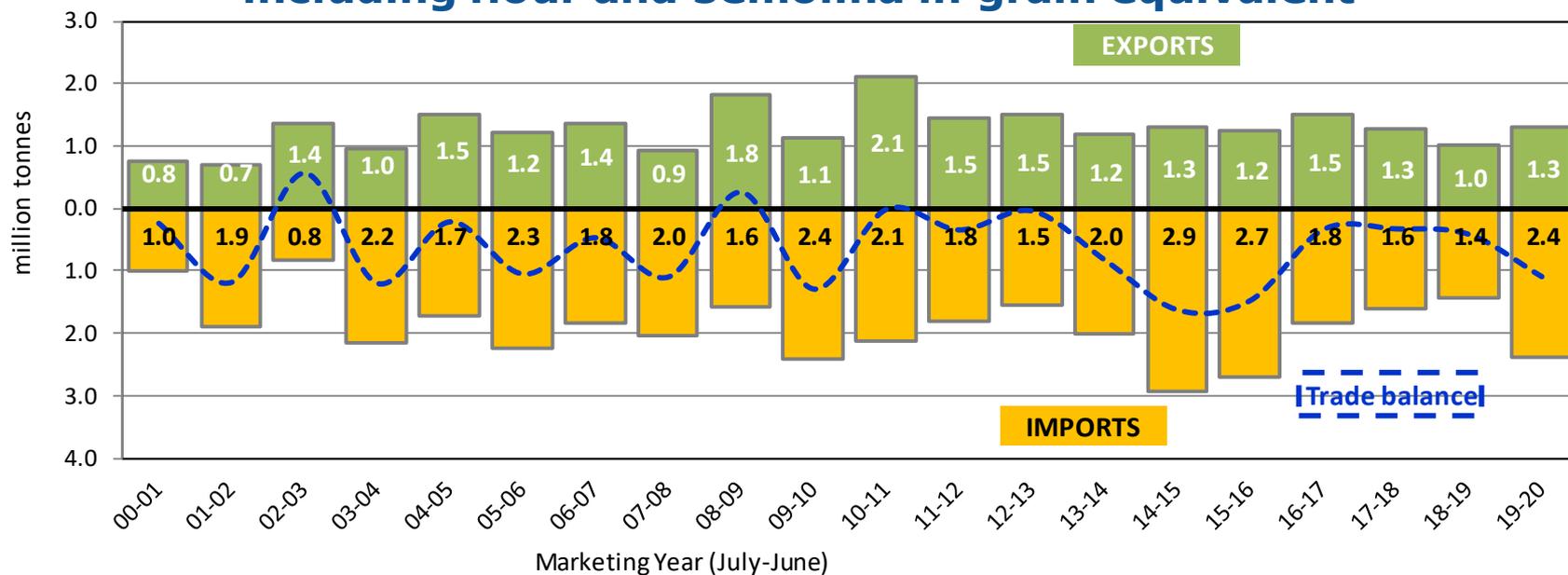
Wheat Gluten anti dumping investigation

- *Processed agricultural products were one of the EU's offensive interests in CETA.*
- *Duties on wheat gluten were set at zero at entry into force.*
- *Canada launched an anti-dumping investigation against 5 EU MS in August 2020 (Germany, Austria, France, Belgium and Lithuania).*
- *EU has submitted its response to Canada on 1 October.*

EU Exports of Wheat Gluten

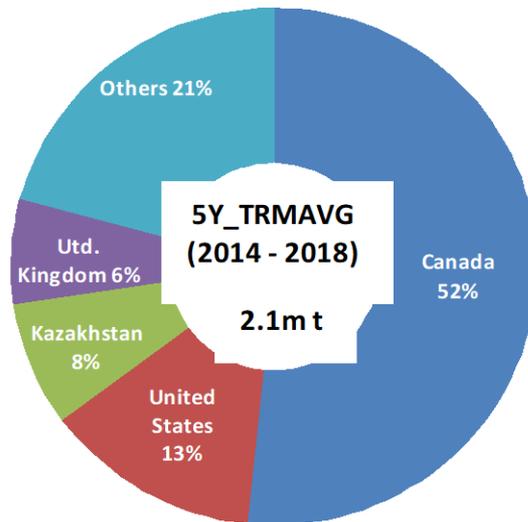
| EU | QUANTITY IN 100KG | | | | share of export |
|------------------------------|-------------------|------------------|------------------|------------------|-----------------|
| | Jan.-Dec. 2016 | Jan.-Dec. 2017 | Jan.-Dec. 2018 | Jan.-Dec. 2019 | 2019 |
| NORWAY | 950.193 | 1.339.727 | 1.130.690 | 1.444.748 | 38,0% |
| UNITED STATES | 835.566 | 991.980 | 1.031.539 | 939.829 | 24,7% |
| MEXICO | 137.656 | 146.647 | 126.692 | 140.719 | 3,7% |
| BRAZIL | 123.278 | 128.755 | 166.617 | 125.328 | 3,3% |
| CHILE | 41.407 | 166.721 | 225.165 | 133.264 | 3,5% |
| KOREA, REPUBLIC OF | 81.044 | 103.051 | 110.136 | 117.119 | 3,1% |
| CANADA | 30.083 | 28.270 | 50.762 | 71.480 | 1,9% |
| ISRAEL (GAZA and West Bank) | 60.208 | 66.576 | 59.895 | 66.326 | 1,7% |
| AUSTRALIA | 7.515 | 161.853 | 125.441 | 64.286 | 1,7% |
| FAROE ISLANDS | | 28.410 | 45.829 | 58.510 | 1,5% |
| TURKEY | 39.416 | 70.236 | 79.548 | 58.562 | 1,5% |
| JAPAN | 48.145 | 54.150 | 53.233 | 52.209 | 1,4% |
| SAUDI ARABIA | 46.629 | 52.790 | 51.236 | 54.804 | 1,4% |
| SOUTH AFRICA (incl. Lesotho) | 31.038 | 36.757 | 38.273 | 37.065 | 1,0% |
| MALAYSIA | 34.682 | 36.662 | 38.613 | 35.461 | 0,9% |
| Other 3rd countries | 1.056.772 | 677.135 | 397.731 | 404.990 | 10,6% |
| Total 3rd countries | 3.523.632 | 4.089.720 | 3.731.400 | 3.804.700 | 100% |

EU Durum wheat exports and imports (July - June) including flour and semolina in grain equivalent

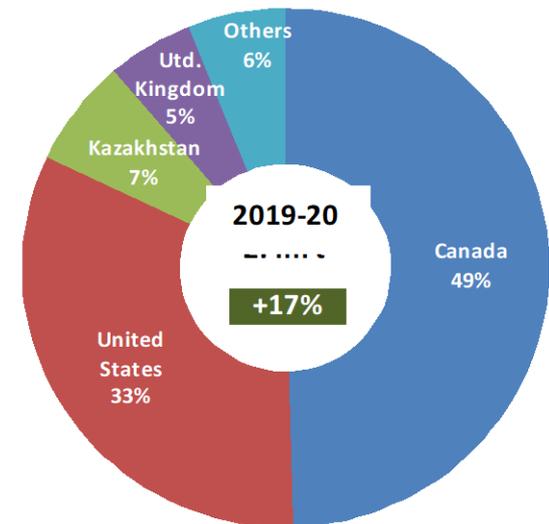


Source: EUROSTAT, Comext extraction at 27/08/2020

EU durum wheat import origins (July - June)



| (Thousand t) | 5Y_TRMAVG (2014 - 2018) | 2019-20 | |
|---------------|----------------------------|---------|--------|
| Canada | 1 059 | 1 184 | ↑ 12% |
| United States | 272 | 778 | ↑ 186% |
| Kazakhstan | 160 | 160 | ▬ 0% |
| Utd. Kingdom | 134 | 127 | ↓ -5% |
| Others | 427 | 143 | ↓ -67% |



Source: Eurostat-Comext @ 27 Aug 2020



Canola exports sustainability certification

- *Canada is working with the Commission (DG ENERGY) to achieve certification for its canola exports to the EU for biofuel production.*
- *This work is ongoing since 2017.*
- *The Canadian methodology for calculation of GHG savings has a number of shortcomings.*
- *CA to submit a new proposal.*



CETA

- *Thank you!*
- *More info available*
<http://ec.europa.eu/trade/policy/in-focus/ceta/>