



# IFA

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## Guarding the interests of Agriculture in the TTIP negotiations

IFA position paper  
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# Foreword

Negotiations on a Transatlantic Trade and Investment Partnership (TTIP) with the US were formally launched by the EU Trade Council decided on 14<sup>th</sup> June 2013. The aim of the negotiations is to increase trade and investment between the EU and the US through the elimination of duties and other restrictions on trade in goods.

Ireland has very strong links, both economic and social, with the US. As a major exporter, market access is critical for the Irish agri-food sector, with potential opportunities arising from increased access to the US market. The recent opening of the US market to Irish beef, for example, is a positive, and will create opportunities for our high quality beef output.

While recognising the potential opportunities, IFA will continue to guard against any trade deal that would damage the position of Irish produce on the EU market. During my recent visit to the US, I made clear that IFA will fight to ensure that the interests of European and Irish agriculture are not sacrificed in the TTIP negotiations in pursuit of an overall trade deal. As a fundamental principle, EU negotiators must insist on equivalence of standards. That is, all US imports must meet the same animal health, welfare, traceability and environmental standards as is required of EU producers.

The *IFA Position Paper on the TTIP negotiations* outlines the key issues of relevance to Irish farmers, particularly in the beef, dairy, pigmeat and poultry sectors, including market access, standards and regulatory convergence. The paper identifies key principles upon which the negotiations for the agriculture sector must be based.

Over the coming months, IFA will be engaging with key stakeholders in the Oireachtas, European Parliament and European Commission to ensure that the principles outlined in this document are adopted by EU negotiators in the discussions. I will also be engaging with the wider agri-food industry and with farming organisations across Europe to ensure support for IFA's position and to secure their cooperation on key issues.



Eddie Downey  
IFA President





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# Executive Summary

Negotiations on a Transatlantic Trade and Investment Partnership (TTIP) with the US were formally launched by the EU Trade Council decided on 14<sup>th</sup> June 2013. The aim of the negotiations is to increase trade and investment between the EU and the US through the elimination of duties and other restrictions for trade in goods. The negotiating mandate has three main elements: market access, regulatory convergence and developing trade rules to strengthen overall multilateral (global) trade.

Key issues for the agri-food sector in the trade negotiations will include market access (reduction or elimination of import tariffs), regulatory convergence (addressing differences in standards, including animal health, welfare, environment), addressing differences in use of technologies (GMOs, hormones), the treatment of vulnerable, but economically important, sectors (sensitive product status), and labelling of products (Protection of Geographical Indicators (PGIs))

Ireland has a very strong trading relationship with the US. It is Ireland's largest individual trading partner, with Irish goods exports to the US valued at €19.8b in 2014 or 22% of total exports<sup>1</sup>. Imports from the US account for just under €6b, or 11% of Ireland's total of €53b.

However, it should be noted that the US is not a large trade partner for Ireland's agri-food sector. In 2014, Irish food and drink exports to the US were €500m, or about 5% of our total food and drink exports of almost €10.5b. Of this figure, almost €350m was the export of beverages (meaning that food exports from Ireland to the US were worth €150m only, less than 2% of Ireland's total food exports).

***While the TTIP offers opportunities for Ireland overall, IFA is clear that the interests of European and Irish agriculture must not be sacrificed by EU negotiators in pursuit of an overall trade deal.***

Farmers are already facing significant adjustments arising from the recent CAP reform. A TTIP agreement which would result in significant market disruption shortly after the conclusion of this deal could put many farm enterprises and sectors under significant pressure.

A recent study for the European Parliament<sup>2</sup> has estimated that agri-food products would only account for a minor part of the TTIP's potential trade impacts, with 8% of new exports from the EU to the US due to the TTIP projected to belong to the agri-food sector. Despite this increased trade, it was estimated that it would have not have a positive impact on agricultural incomes, with the overall value of EU agriculture projected to fall by 0.5%. The report identified the potential for the EU dairy products sector to increase exports from a TTIP deal. The main competitive threat was identified for the beef sector, with seriously negative consequences for the suckler cow sector.

<sup>1</sup> This compares to Irish goods exports to the UK of €13.5b in 2014

<sup>2</sup> *Risks and Opportunities for the EU Agri-Food Sector in a possible EU-US trade agreement*, European Parliament, Directorate-General For Internal Policies, July 2014

For Irish agriculture, there are significant threats posed by the potential opening up of the EU import market to large volumes of US beef products, in particular, with threats posed to the pigmeat and poultry sectors also. For the dairy sector, there are potential opportunities, as well as threats, arising from increased market access.

The European Parliament report identified that a reduction in trade barriers without regulatory convergence would put EU producers at a competitive disadvantage due to the extra costs they incur in complying with EU regulations. These include EU constraints on the use of GMOs, hormones, growth promoters (ractopamine, BST) pesticide use and food safety measures.

***IFA is clear that, as a fundamental principle, EU negotiators must insist on equivalence of standards. All US imports must meet the same animal health, welfare, traceability and environmental standards as are required of EU producers.***

An additional critical issue in the TTIP negotiations is the need for coherence between EU trade and environment policy. In the area of climate change, the EU is recognised as a global leader in climate policy. By contrast, the US ambition in this area is lower, as evidenced by their decision not to participate in the Kyoto protocol, which established the framework for international greenhouse gas emission reductions up to 2020.

Ireland's carbon efficient model of food production provides a blueprint for the sustainable intensification of the agri-food sector, at a time of increasing global food demand. This should not be undermined in the negotiations on market access.

***IFA believes that the EU must not reach a trade agreement with the US which runs directly counter to EU climate change objectives by facilitating the replacement of carbon efficient Irish produce on the EU market with carbon intensive US imports. This is of particular relevance in the case of Irish beef production.***

IFA's proposals for the TTIP negotiations across the main agricultural sectors are outlined below:

## Beef

Beef production costs in the US are significantly lower than in Ireland or the EU, due to a number of factors, including:

- The much larger scale of US production, with large ranch style extensive suckler herds and large intensive feedlots. This compares with the smaller family-farm based suckler herds in Ireland and the EU, and smaller finishing units.
- Use of hormonal and non-hormonal growth enhancers such as ractopamine and romensin, all of which are banned in the EU.
- Lower feed costs in the US, arising from the use of technologies (GMOs) in feed production.
- Fewer and less onerous animal welfare and environmental requirements in the US
- Stricter controls and conditions in animal health, animal welfare and environmental standards in the EU.
- Higher labour costs in the EU compared to the US.



While the recent opening of the US market to Irish beef is a positive, this cannot be used by the US against the EU in the TTIP negotiations as a means by which the US would gain preferential access for large volumes of US beef to the EU market.

While the US beef price is currently higher than the EU, traditionally, US beef prices have been significantly below EU prices, mainly relating to differences in production costs and standards. A significant increase of US beef imports to the EU could therefore have a very negative impact on beef prices in the EU market. Ireland's one million suckler cow herd is under huge threat from any trade deal involving significant increases in EU beef imports. With 90% export dependency, the Irish beef sector is particularly exposed to any major increase in EU import volumes, which would reduce producer prices and result in a reduction in farm viability, output, employment and exports.

***IFA is clear that the domestic EU beef sector cannot be sacrificed as a bargaining chip in the TTIP negotiations to secure an overall trade deal. In the negotiations, Ireland must insist on:***

- ***Equivalence of standards – all US imports must meet the same animal health, welfare, traceability and environmental standards as are required of EU producers.***
- ***Designation of beef as a sensitive product, with access granted under Tariff Rate Quotas<sup>3</sup> (TRQs) on a limited basis. This must mean access is based upon the 'natural fall' of beef cuts.***
- ***Retention of reduced tariffs on all EU beef imports under any agreed TRQ.***
- ***Agreement on a maximum TRQ that would apply to the EU beef market arising from all bilateral trade agreements.***

## Dairy

The ending of the milk quota regime in 2015 will provide Irish farmers and the dairy industry with an opportunity, for the first time in a generation, to expand production, and take full advantage of Ireland's grass-based milk production system.

The identification of new export markets outside of the EU will be a critical element for delivering sustainable growth. The negotiation of a TTIP deal with the US has, therefore, the potential to deliver a high-value market for Irish branded dairy products. However, the opportunities must also be set against the potential competition from US dairy exports on the EU market, and the impact that this would have on global and EU dairy prices.

***IFA believes that the opening of the US dairy market through increased TRQs for EU exports, and the resolution of certain non-regulatory barriers, could provide increased access to a high-value export market for Irish dairy products. In the negotiations, Ireland must ensure that:***

- ***In the area of dairy hygiene standards, there is an acceptance of equivalence between the EU and US systems.***
- ***The strong focus of EU negotiators on securing recognition of Protected Geographical Indicators<sup>4</sup> (PGIs) must not be at the expense of other market access opportunities, as PGIs are of no value to the Irish dairy sector.***

<sup>3</sup> A TRQ is an import quota that allows a certain volume or value of imported product to enter a country/trading bloc at a reduced or nil tariff rate

<sup>4</sup> PGIs – An EU mechanism to promote and protect names of quality agricultural products and foodstuffs, which covers agricultural products and foodstuffs closely linked to the geographical area

- ***Dairy products permitted for import into the EU cannot be produced through use of hormone treatment (BST<sup>5</sup>).***
- ***In view of the significant increases in milk production and dairy exports from the US, the risks posed by speculative US exports into the EU market, potentially causing a significant price disturbance, must be quantified at EU level. This must be taken into account in the discussions on tariff reductions for US dairy products.***

## Pigmeat and Poultry

Similar to the beef sector, in pigmeat and poultry production, a significant price differential exists between the EU and US. This is mainly due to lower cost production methods in the US, including the use of growth promoters, use of technologies in feed production, lower energy and labour costs and higher animal welfare and environmental requirements in the EU.

In the pigmeat sector, increased market access to the EU would potentially result in a targeting by the US of high value cuts, such as 'loin' and 'ham'.

A large increase in US imports into the EU could have a significantly negative impact on the EU price in both the poultry and pigmeat sectors. With over 60% of Irish pigmeat exports going to the EU market, any large sustained fall in the EU market price could have a very damaging effect on this industry. As an intensive industry with a small number of producers, further concentration of these numbers would potentially undermine the overall viability of the sector.

From an EU export perspective, the higher value placed on ribs and belly by EU consumers may provide a potential opportunity.

***In the negotiations on pigmeat and poultry, it is critical that Ireland insists on:***

- ***Equivalence of standards for US imports, including a continued prohibition on the use of growth promoters and feed additives.***
- ***TRQ allocation on a proportionate basis for each individual product line for both pigmeat and poultry. This must mean access is based upon the 'natural fall' of cuts.***
- ***Pigmeat products permitted for import into the EU must meet equivalent animal welfare standards.***
- ***Designation of pigmeat as a sensitive product.***

<sup>5</sup> Bovine Somatropin



# 1. Introduction and Overview

Negotiations on a Transatlantic Trade and Investment Partnership (TTIP) with the US were formally launched by the EU Trade Council decided on 14<sup>th</sup> June 2013. The aim of the negotiations is to increase trade and investment between the EU and the US through the elimination of duties and other restrictions for trade in goods.

The negotiating mandate for the talks has three main elements; these are market access, regulatory convergence and developing trade rules to strengthen overall global trade. Market access issues include the removal of tariffs, with special treatment for the most sensitive of products, reconciling EU and US approaches to rules of origin, opening up the services sectors and opening up access to government procurement markets. In the area of regulatory convergence, it has been identified that, for many goods, different safety or environmental standards cause the greatest obstacle to trade. The goal of the TTIP is to reduce unnecessary costs and delays for companies, while maintaining high levels of health, safety, consumer and environmental protection.

## 1.1 IFA overall position on TTIP negotiations

For EU agriculture, the reduction of tariffs and/or introduction of large volumes of tariff free quotas for US imports of certain products would be of serious concern, leading to potentially negative implications for prices and the viability of EU producers. In addition, the outcome of negotiations on sanitary and phyto-sanitary issues (SPS), (health, hygiene and animal welfare standards) will be critically important. EU farmers produce to very high animal welfare, health and environmental standards.

For the Irish agriculture sector, there are significant threats posed by the potential opening up of the EU import market to large volumes of US beef products, in particular, with threats posed to the pigmeat and poultry sectors also. For the dairy sector, there are potential opportunities resulting from increased exports to the US.

***IFA is clear that, as a fundamental principle, EU negotiators must insist on equivalence of standards. All US imports must meet the same animal health, welfare, traceability and environmental standards as are required of EU producers.***

An additional critical issue in the TTIP negotiations is the need for coherence between EU trade and environment policy. In the area of climate change, the EU is recognised as a global leader in climate policy. By contrast, the US ambition in this area is lower, as evidenced by their decision not to participate in the Kyoto protocol, which established the framework for international greenhouse gas emission reductions up to 2020.

Ireland's carbon efficient model of food production provides a blueprint for the sustainable intensification of the agri-food sector, at a time of increasing global food demand. This should not be undermined in the negotiations on market access.

***IFA believes that the EU must not reach a trade agreement with the US which runs directly counter to EU climate change objectives by facilitating the replacement of carbon efficient Irish produce on the EU market with carbon intensive US imports. This is of particular relevance in the case of Irish beef production.***

#### 1.1.1 EU Position on TTIP negotiations

The EU is fully committed to negotiating a comprehensive trade deal with the US. A study<sup>6</sup> by the Centre for Economic Policy Research, London, on the potential effects of the EU-US Transatlantic Trade and Investment Partnership was released in March 2013. The study was commissioned by the European Commission's Directorate General for Trade.

The findings of the report were that an ambitious and comprehensive trans-Atlantic trade and investment partnership could bring significant economic gains as a whole for the EU (€119 billion a year) and the US (€95 billion a year) once the agreement is fully implemented. This translates on average to an extra €545 in disposable income each year for a family of four in the EU<sup>7</sup>.

#### 1.1.2 Irish position on TTIP negotiations

The Irish Government has made clear its support to the EU for a trade deal with the US. A study is currently being undertaken by Copenhagen Economics research team on behalf of the Department of Enterprise, to determine the potential implications for the Irish economy of a comprehensive trade deal with the US. IFA has met with the review team to discuss our concerns on the potential impact of a trade deal for Irish agri-food exports.

The full results of the study will shortly be published, but initial analysis was produced in mid-2014, with the following overall findings.

- An EU-US trade deal could increase the size of the Irish economy (GDP) by 1.1%, leading to the creation of 8,000 jobs.
- Exports of Irish goods and services would benefit from a reduction in tariffs and non-tariff barriers, leading to a 2.7% increase in exports.
- The processing sector would have access to cheaper raw material from primary agriculture.
- The research also identified the potential for increased market access to the US for Irish SMEs and increased foreign direct investment by US firms into Ireland.

IFA is clear that the Copenhagen Economics study on behalf of the Department of Enterprise, which will look at the potential impact for the Irish economy of a trade deal between the EU and US, must include a full analysis of the impact on different economic sectors.

<sup>6</sup> Reducing Transatlantic Barriers to Trade and Investment - An Economic Assessment, Centre for Economic Policy Research, London, commissioned by European Commission, Prepared under implementing Framework Contract TRA DE10/A2/A16, March 2013

<sup>7</sup> This figure represents the maximum gains that could be achieved given a comprehensive agreement, and represent the long-term, full impact of policy changes, by the year 2027 (assuming agreement is reached by 2017).

## 1.2 Agri-food trade between the EU and US

### 1.2.1 EU and US

While large trading partners, neither the EU nor the US are each other's main export markets for agri-food products. Of the €120b of EU agri-food exports in 2013, €15.4b went to the US, of which almost 50% (€7b) was beverages. Similarly, the US accounts for €10b, or 10% of the EU's agri-food imports.

Nearly two-thirds of the EU's total value of agri-food exports consists of consumer-oriented products, with the main groupings being beverages and snack foods, with bulk commodities only comprising 2% of exports. From the US, consumer-oriented products make up approximately 40% of the U.S. export total. Intermediate products, such as animal feed and vegetable oil area make up a quarter of exports and bulk commodities account for 20%<sup>8</sup>. For both trading blocs, the value of agricultural exports has increased substantially more to other destinations, particularly in recent years.

### 1.2.2 Ireland and the US

Ireland has a very strong trading relationship with the US. It is Ireland's largest individual trading partner, with Irish goods exports to the US valued at €19.8b in 2014 or 22% of total exports<sup>9</sup>. Imports from the US account for just under €6b, or 11% of Ireland's total of €53b.

However, it should be noted that the US is not a large trade partner for Ireland's agri-food sector. In 2014, Irish food and drink exports to the US were €500m, or about 5% of our total food and drink exports of almost €10.5b. Of this figure, almost €350m was the export of beverages (meaning that food exports from Ireland to the US were worth €150m only, less than 2% of Ireland's total food exports).

The main agri-food exports to the US in 2014 were:

- Whiskey (€166m)
- Beer (€42m)
- Cocoa-based product (€21m)
- Live horses (€23m)
- Spirits (€133m)
- Cheese (€34m)
- Frozen swine (€20m)
- Butter (€19m).

Ireland imported €250m of food and drink products from the US in 2014, the majority of which (€232m) were food imports. This represents about 4% of Ireland's €6b food imports<sup>10</sup>.

### 1.2.3 General tariff regime for agricultural products

Tariffs applied by the EU to its agricultural imports from the US are generally much higher than US tariffs on EU imports. The average tariff on agricultural products entering into the U.S. is 4.9% ad valorem<sup>11</sup>, with over 70% of agricultural tariff lines applying a 0-5% tariff. For the EU, the average tariff on agricultural imports is 13.8% ad valorem, with 40% of EU's agricultural tariffs lines applying a tariff of 0-5%.

The three agricultural sectors on which the US applies high import tariffs are tobacco (21.8%), dairy products (20.2%) and sugar (18.7%). The EU applies average tariffs of 45% for meat, 42% for dairy products, food preparations with meat (19.5%) and food preparations with vegetables (18.4%)<sup>12</sup>.

<sup>8</sup> *Agricultural Trade in 2013: EU gains in commodity exports*, European Commission, DG Agriculture and Rural Development (June 2014)

<sup>9</sup> This compares to Irish goods exports to the UK of €13.5b in 2014

<sup>10</sup> *CSO Trade Statistics 2014*

<sup>11</sup> Tariff is calculated based on value of product

<sup>12</sup> *Achieving a Successful Outcome for Agriculture in the EU-U.S. Transatlantic Trade and Investment Partnership Agreement*, International Food & Agricultural Trade Policy Council, February 2013



### 1.3 Key issues for EU food producers in the trade negotiations

The benefits of a trade agreement will not be evenly dispersed among different sectors. In particular, for the EU agriculture sector, increased trade may bring no overall increase in incomes for producers. A recent report<sup>13</sup> for the European Parliament found that agri-food products only account for a minor part of the TTIP's potential trade impacts, with only 8% of new exports from the EU to the US arising from a trade deal projected to belong to the agri-food sector.

Taking these figures into account, IFA has significant concerns that the potentially negative impact on EU and Irish agriculture will not be sufficiently factored into the trade discussions, and agriculture may be used as a bargaining chip by the EU in order to secure an overall deal.

The following are the key issues impacting on the agriculture sector in the trade negotiations.

#### 1.3.1 Differences in standards – cost implications

In addition to the tariff regime, there have been bans imposed on different agri-food products entering the EU-US markets due to differences in regulatory standards. The European Parliament report identified that the enforcement of higher cost standards on EU producers has undermined their cost competitiveness, in a number of areas, including:

- Access to and use of GMOs – EU producers may be faced with a situation where they would not have the right to use certain biotechnology, but US imports into the EU market could do so, thereby providing an unfair cost advantage to the US producers
- Hormone treated beef and other non-hormonal growth promoters (ractopamine). Use of these products is banned in the EU. If US food imports produced using these products were allowed access to the EU market, it would leave EU producers at a significant cost disadvantage.
- Pathogen reduction treatments, such as lactic acid, or chlorine. These methods are used to underpin food safety in the US, and are prohibited in the EU. Overall, there is a difference in legislation between the EU, which requires testing for pathogens all along the food supply chain, and US legislation, which allows for end-of-chain treatment.

#### 1.3.2 Vulnerable sectors at EU level

Within the EU market, beef is considered a highly sensitive product as the costs of production are greater than almost all other markets internationally (smaller farm size, greater costs of compliance). It is estimated that, in the case of higher imports, the suckler cow sector would bear all the adjustment costs (as the supply of beef from the dairy herd is relatively inelastic). Other EU sectors identified as potentially vulnerable in a trade deal, particularly in the event of the removal of particular SPS non-tariff barriers (e.g. pathogen reduction), include the poultry sector, the cereals and biofuels sector<sup>14</sup>.

#### 1.3.3 Products with Geographical Indications (PGIs)

Cheese and meat products not originating in the EU can be sold in the US under EU protected geographical indications. In addition, the US considers a number of European wine names as 'semi-generic'. This is proving a significant issue in the negotiations; however Ireland does not have any significant volume of PGIs. The concern for the Irish agriculture sector, therefore, is that this issue would use up a significant amount of political capital in the negotiations at the expense of other producer concerns and market access opportunities.

<sup>13</sup> *Risks and Opportunities for the EU Agri-Food Sector in a possible EU-US trade agreement*, European Parliament, Directorate-General For Internal Policies, July 2014

<sup>14</sup> *Risks and Opportunities for the EU Agri-Food Sector in a possible EU-US trade agreement*, European Parliament, Directorate-General For Internal Policies, July 2014





## 2. BEEF

The beef sector is Ireland's largest agricultural sector, with over 100,000 farmers involved in beef and livestock production. In addition, there are an estimated 20,000 people employed in beef processing and the services sectors such as livestock marts, distribution, transport, merchants, input supplies etc. These jobs are located in rural areas generally, contributing to economic activity across all parts of the country. The beef and livestock sector in Ireland is valued at over €2bn, with 500,000 tonnes of beef exports to European markets and over 300,000 live animals exported on an annual basis.

However, at farm level, it is a low income sector, with average farm incomes in 2014 ranging from €10,000 to €15,000 depending on the enterprise type. Analysis by Teagasc has identified that 40% of farms in the cattle sector are economically vulnerable.

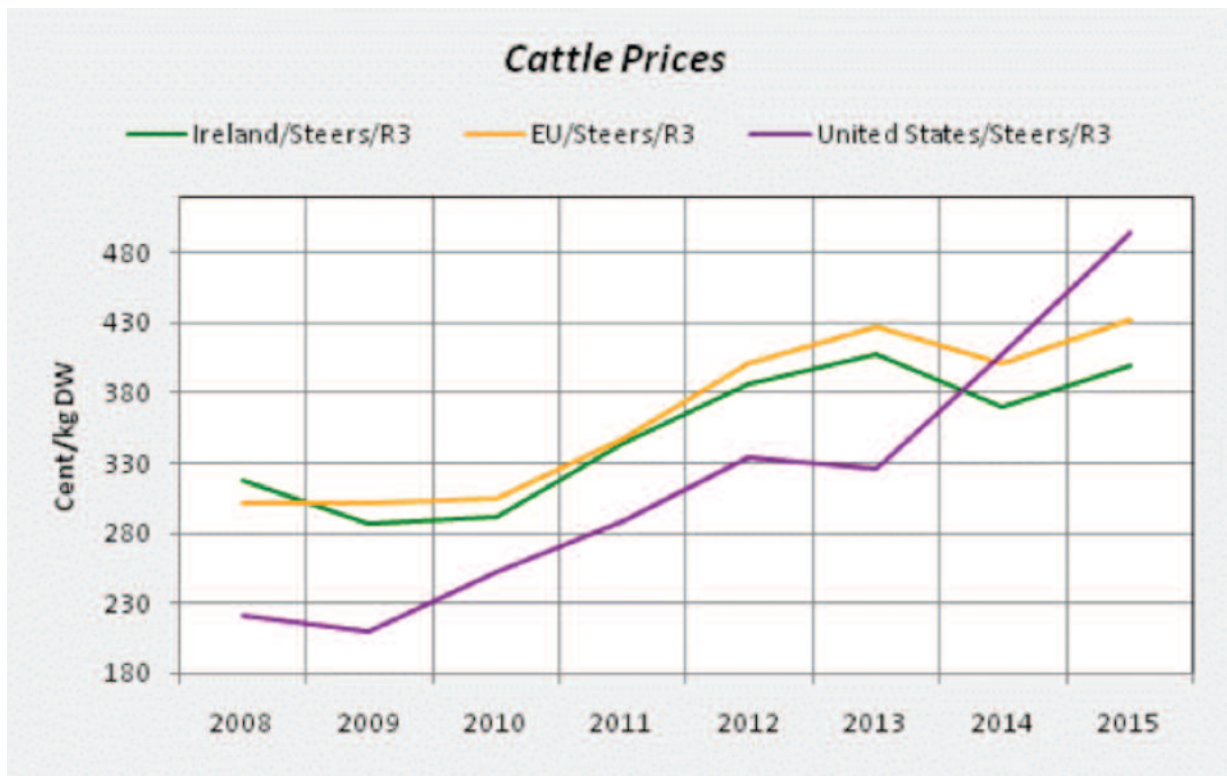
### 2.1 Price and cost comparisons between the EU and US

Beef production costs in the US are significantly lower than in Ireland or the EU, due to a number of factors, including:

- The much larger scale of US production, with large ranch style extensive suckler herds and large intensive feedlots. This compares with the smaller family-farm based suckler herds in Ireland and the EU, and smaller finishing units.
- Use of hormonal and non-hormonal growth enhancers such as ractopamine and romensin, all of which are banned in the EU.
- Lower feed costs in the US, arising from the use of technologies (GMOs) in feed production.
- Fewer and less onerous animal welfare and environmental requirements in the US
- Stricter controls and conditions in animal health, animal welfare and environmental standards in the EU.
- Higher labour costs in the EU compared to the US.

Until recently there has been a significant price differential between EU and US beef, due mainly to the production cost differences outlined above. Over the past decade, EU and Irish prices have been consistently above the US

price. In the last two years the gap between EU and US beef prices has narrowed dramatically, with US prices now above EU price levels. This is mainly due to a significant increase in beef prices in the US, as a result of a major fall off in production due to drought. The US currently has the lowest levels of cattle inventory on record. However it is anticipated that US supplies will increase in 2016/17 as current herd rebuilding delivers production increases, which would have an expected impact on US prices. The price movements for EU, US and Irish beef since 2008 are outlined in Figure 2.1<sup>15</sup>.



**Figure 2.1: EU/Irish/US Cattle Price comparison 2008-2015**

## 2.2 Existing trade with the US

### 2.2.1 EU exports to the US

Until very recently, there were no EU countries cleared to export beef to the US as a result of the BSE ban in the mid-1990s. In early January 2015, Ireland received clearance for the reopening of the US market for Irish beef exports. This is a positive move, given the strong prices currently in the US market, and will create some opportunities for Irish beef exports to the US. Initially, Ireland is expected to target the US market with high-value steak cuts. Opportunities also exist for manufacturing beef at current prices. However, access for significant volumes of Irish beef to the US market will remain restricted under import quotas and tariffs as well as end-use sanitary controls.

<sup>15</sup> Available at <http://www.bordbia.ie/industry/farmers/PriceTracking/Archive/cattle/Pages/Prices.aspx> copied at 27.02.2015

### 2.2.2 US Beef Exports to the EU

US beef exports to the EU have increased in recent years, from 17,500 tonnes in 2008 to 23,000 tonnes in 2014<sup>16</sup>. The majority of these imports refer to boneless fresh and chilled cuts, mainly high quality cuts from the hind quarter such as fillet, sirloin and striploin steak cuts. All of these imported products benefit from reduced tariffs, with 11,500 tonnes at 20% of the current tariff rates allowed under the Hilton quota, and 48,220t under the “Hormone Panel”, which has a zero duty quota from 2013/14<sup>17</sup>. With imports of 20/25,000t all US beef imports currently entering the EU benefit from the TRQ at very low to nil tariff rates.

It is worth noting that the US does not currently fill the nil/reduced tariff quotas available to it for beef products. It is suggested, therefore, that the argument for granting significant additional TRQ in the TTIP negotiations is not very compelling.

### 2.2.3 Non-tariff barriers – cost implications

A key concern for the EU is the absence of a tagging, traceability and movement control system, with the result that the US cannot provide guarantees on origin or that the animals have come from a hormone free herd. The use of branding as the main means of identification undermines the credibility of any certification process for beef exports into the EU.

Beef production in the US relies heavily on the use of growth enhancers such as hormones, ractopamine and romensin. Depending on the production system, cattle in the US can receive several hormone treatments throughout their life. Under the feedlot finishing systems, where concentrates are the main diet, ractopamine (beta-agonist) and romensin are widely used in the diets. All of these growth enhancing products are banned in the EU.

The differences in production standards and regulatory burden between the US and EU provide a significant cost advantage to US producers.

## 2.3 Potential implications of a trade deal

With a large beef export potential, preferential access to the EU market for the US would present a real threat to Irish and EU domestic beef production. The US has a growing ‘natural’ beef production sector, which will increase availability of product that can be exported to the EU market.

As a mature market, the capacity of the EU beef market to absorb increased imports is low. Consumption in the EU beef market has decreased significantly over recent years (economic downturn, austerity measures, and weaker consumer demand). The market is therefore more vulnerable to potential disruption from increased volumes of tariff-free imports.

As the largest beef exporter within the EU, Ireland would be most exposed to the downward price pressure that would arise from a large increase in lower-cost imports. This would have a very negative knock on impact for employment and earnings at farm level, the processing sector and related services sectors. Analysis undertaken by Ireland and the EU (most recently the research undertaken for the European Parliament Agriculture Committee) identifies that the suckler cow herds in Ireland, France, the UK and Spain would come under most pressure from any increase in steer beef imports from the US.

<sup>16</sup> US Meat Export Federation, Export Statistics at <https://www.usmef.org/downloads/statistics/2014-12-beef-exports.pdf> and <https://www.usmef.org/downloads/statistics/2008-12-beef-exports.pdf>, accessed on 16.03.2015

<sup>17</sup> See Appendix II for full description of TRQs for EU beef imports

Beef tariff calculations operate at a single tariff level for all boneless cuts and are not based upon market value. This is at variance with the differential tariffs that apply in the dairy sector for cheese and milk powders. It is expected that the US will target its usage of any TRQ on high value cuts. This is the pattern of all non-EU exporters with TRQ access to the EU. While the overall EU beef market is almost 8 million tonnes, the high-value cuts element of the market represents approximately 9% or 700,000 tonnes. While accounting for less than 10% of the market volume, this segment of the market accounts for more than 30% of market value. Duty-free TRQ imports that are targeted at high-value cuts would have a disproportionately negative impact on prices and returns for Irish beef exports and prices.

## 2.4 IFA Position on beef for TTIP negotiations

A major reduction or elimination of import tariffs through a significant increase in a TRQ for beef, as demanded by the US, has the potential to significantly cut the EU import price of beef. This in turn would severely impact on beef prices across the EU market. The Irish beef sector, with 90% export dependency, will be adversely affected by any major increase in EU import volumes. Ireland's one million suckler cow herd is under greatest threat from any trade deal involving significant increases in EU beef imports with a negative impact on prices.

***IFA is clear that the domestic EU beef sector cannot be sacrificed as a bargaining chip in the TTIP negotiations to secure an overall trade deal. In the negotiations, Ireland must insist on:***

- ***Equivalence of standards – all US imports must meet the same animal health, welfare, traceability and environmental standards as is required of EU producers.***
- ***Designation of beef as a sensitive product, with access granted under Tariff Rate Quotas<sup>18</sup> (TRQs) on a limited basis. This must mean access is based upon the 'natural fall' of beef cuts.***
- ***Retention of reduced tariffs on all EU beef imports under any agreed TRQ.***
- ***Agreement on a maximum TRQ that would apply to the EU beef market arising from all bilateral trade agreements.***

<sup>18</sup> A TRQ is an import quota that allows a certain volume or value of imported product to enter a country/trading bloc at a reduced or nil tariff rate





## 3. DAIRY

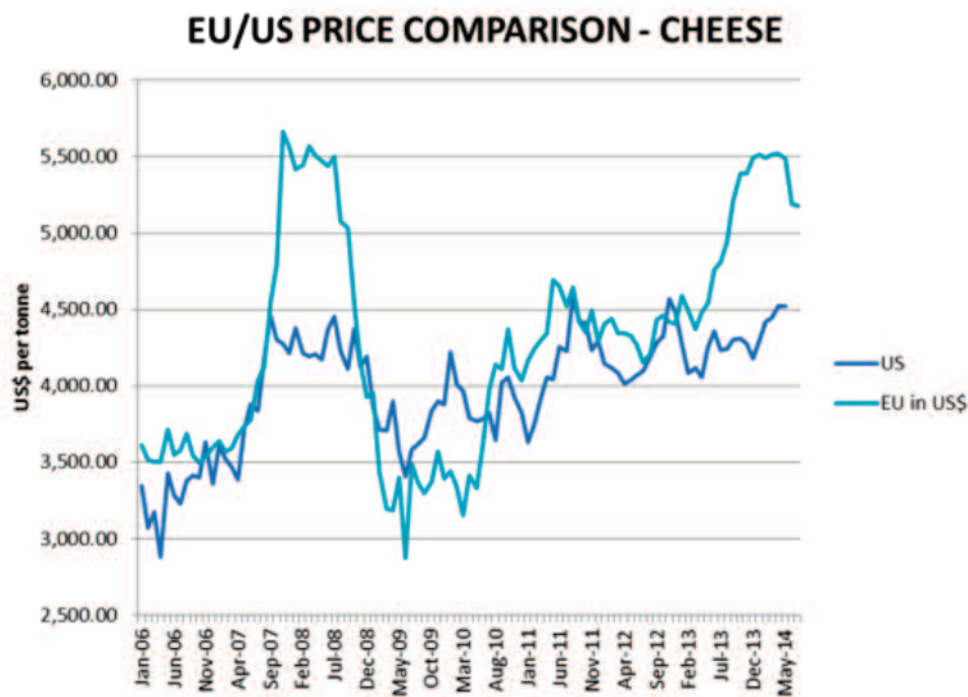
The abolition of the milk quota regime in 2015 will provide Irish farmers and the dairy industry with an opportunity, for the first time in a generation, to expand production, and take full advantage of Ireland's grass-based milk production system. Under the targets set out for *Food Harvest 2020*, it is the industry's ambition to sustainably grow output by 50%, creating employment throughout the food supply chain, increasing the value added of its products, and delivering export growth. It is expected that these targets will be built upon in the forthcoming agri-strategy 2025. Increased access to new export markets outside of the EU will be a critical element for delivering sustainable growth. The negotiation of a TTIP deal with the US has therefore the potential to deliver a high-value market for Irish branded dairy products. However, the opportunities must also be set against the potential competition from US dairy exports on the EU market, and the impact that this would have on global and EU dairy prices.

### 3.1 Price and cost comparisons between the EU and US

Analysis of the main dairy products in recent years shows that there has been no uniformity in the pricing relationship between the EU and the US. At times, therefore, US dairy product prices are more or less competitive upon import into the EU. Since 2006, there has been close correlation between EU and US commodity prices for SMP, a commodity which is truly global in pricing, but less so for WMP, cheddar cheese and butter, where pricing levels diverge significantly. Figure 3.1 below, which compares EU and US prices for cheese since 2006, provides an example of the scale of price divergence that can occur<sup>19</sup>.

For all four commodities, there are times when the prices are such that it could be attractive for US dairy exports to enter the EU market, at a moderate or zero tariff level. It is therefore possible that, in the TTIP negotiations, the US would seek to secure import TRQ for dairy commodities. While these may not be filled systematically, they may be utilised at certain times when more attractive options on global markets are not available.

<sup>19</sup> Source: USDA monthly export prices in US\$/tonne, EU MMO weekly average commodity prices, converted into US\$ at the appropriate monthly exchange rate



**Figure 3.1: EU/US Price Comparisons for Cheese 2006-2014**

Such opportunistic imports could undoubtedly have an impact on EU dairy commodity markets, as small surpluses are all that is needed to unbalance supply and demand. It is critical, therefore, that the potential effects of these imports are quantified, and the disruption to the EU market taken into account in the negotiations on tariff reductions and TRQs for US dairy products.

### 3.2 Existing trading volumes with the US on main products

Since the mid-2000s, the US have increased their export activity, from opportunistic dispose of surplus, to strategic and dedicated exports, with new plants now being built specifically to cater for external markets. The US dairy sector will be a competitor to be reckoned with on global dairy markets in the future.

In 2014, US exports accounted for almost 20% of overall milk production. US exports are aided financially through the Co-operatives Working Together (CWT) scheme, funded through a farmer levy. From 2009 to 2014, US exports of SMP more than doubled (from 249,000 to 546,000 tonnes), butter from 22,000 to almost 60,000 tonnes, while cheese exports increased from 108,000 to 369,000 tonnes<sup>20</sup>.

US exports go to a wide array of global destinations – especially South/Central America and SE Asia. European destinations do not feature in the top 10 destination countries at this point.

<sup>20</sup> US Dairy Export Council, accessed at <https://usdec.org/research-and-data/market-data/us-export-data/historical-data> on 13.03.2015



### 3.3 Tariff regime

Existing dairy TRQs for dairy imports into the EU originate from the Uruguay round of GATT/WTO agreement. The principle agreed at the time was that WTO member countries were to open TRQs, creating opportunities for imports of up to 5% of national consumption for the specific products concerned. Most EU TRQs are not allocated to any one country, but rather available to all WTO members wishing to avail of them.

New Zealand has maintained historical country-specific dairy TRQs into the EU (the UK brought this into the EU when they joined in 1973). These TRQs amount to 74,693t of butter, 7,000t of Cheddar and 4,000t of cheese for processing. New Zealand regularly fills its butter TRQ, most of which goes to the UK market. Many of the other dairy TRQs are unused or underused, and the US imports little into the EU, whether under TRQ or not.

Access to the US market is very limited, with low TRQs, the US dairy sector being heavily protected. For example, there are less than 100 tonnes worth of EU butter import licences into the US under TRQ. As a result, the Irish Dairy Board, which exports around 2,000t of butter (and growing) per annum to the US, must purchase import licences from other non-EU countries in order to utilise some of their TRQs.

#### 3.3.1 Non-tariff barriers

There are a number of non-tariff barriers, including SPS and regulatory issues, which provide additional barriers to trade for both the US and EU dairy industries.

Hormones (BST) are widely used in the US dairy sector to boost milk production. This practice is not allowed in the EU and is widely viewed as unacceptable from an animal welfare perspective.

A significant issue in the overall trade negotiations is the debate on securing US recognition for Products of Geographical Indication (PGIs). This is an issue for some EU dairy products, with a number of the Southern European Member States, the EU Commission and the Parliament demanding recognition by the US. PGIs are of no value for Irish dairy exports.

It is of critical importance, from an Irish dairy perspective in particular, that the negotiations on PGI recognition are undertaken without impacting negatively on the parallel discussions on access to the US market.

A further regulatory barrier preventing access to the US market is the Grade A rating applied by the US, which is effectively only available to domestically produced dairy ingredients/commodities. However, some scoping work, including plant audits in the last year, has been undertaken by the US Food and Drugs Administration (FDA) in France, the Netherlands and Ireland to progress the issue of equivalence with our EU Dairy Hygiene provisions.

### 3.4 Potential implications of a trade deal

The EU is a mature market, with limited dairy growth potential when compared to emerging countries. There is, therefore, little likelihood of US consumer-ready dairy products competing on the EU market.

However, imported US commodities for the food services trade and/or ingredients for processing may compete on an opportunistic basis, creating pressure on prices within the EU. It would be important that any negotiation on behalf of the EU would be informed by an assessment of how this might affect EU markets and farmer prices.

For Irish dairy exports, the greater opening of the US market, through agreement of increased TRQs and the resolution of certain non-regulatory barriers, could provide new, high-value export markets.

### 3.5 IFA position on dairy for negotiations

***IFA believes that the opening of the US dairy market through increased TRQs for EU exports, and the resolution of certain non-regulatory barriers, could provide increased access to a high-value export market for Irish dairy products. In the negotiations, Ireland must ensure that:***

- ***In the area of dairy hygiene standards, there is an acceptance of equivalence between the EU and US systems.***
- ***The strong focus of EU negotiators on US securing recognition of Protected Geographical Indicators (PGIs) must not be at the expense of other market access opportunities, as PGIs are of no value to the Irish dairy sector or other agricultural sectors.***
- ***Dairy products permitted for import into the EU cannot be produced through use of hormone treatment (BST).***
- ***In view of the significant increases in milk production and dairy exports from the US, the risks posed by speculative US exports into the EU market, potentially causing a significant price disturbance, must be quantified at EU level. This must be taken into account in the discussions on tariff reductions for US dairy products.***



## 4. PIGMEAT

The pigmeat sector is an important and highly efficient agriculture sector. With a sow population of 150,000, there are over 1,000 employed on pig farms in Ireland, with an additional 6,500 employed in the slaughter, processing, feed and services industries. The total value of pigmeat exports in 2014 was €570 m.

### 4.1 Price and cost comparisons between the EU and US

Significant differences in production costs for pork exist between the EU and the US. Analysis undertaken by COPA, the European Farmers' Union estimated that, in 2012, production costs in the US for a slaughter pig were €1.37/kg compared to an EU average of €1.66/kg.

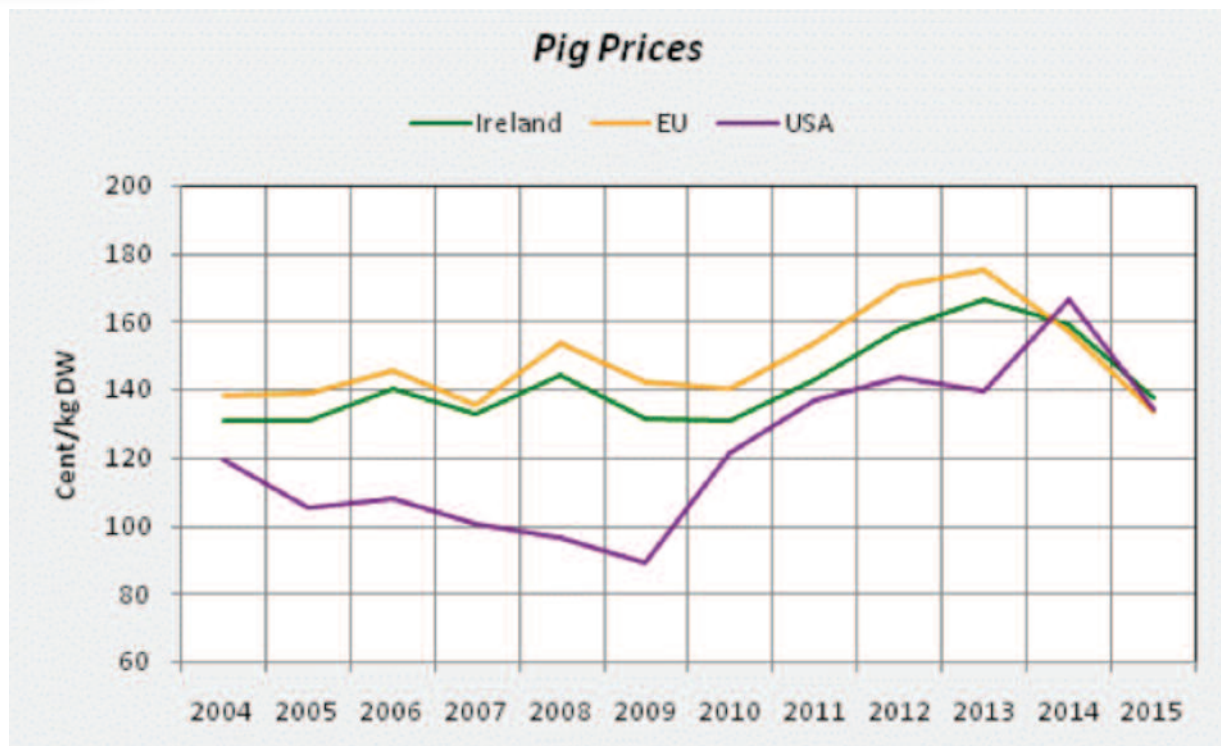
Furthermore the US costs relating to meat processing are lower than in the EU due to access to cheaper labour and the use of PRT (Pathogen Reduction Treatments) to remove bacteria in slaughter plants.

While US producer prices in 2013/2014 increased significantly, this was as a direct result of the disease PEDv, which decimated the US herd. Over the past decade, there has been a consistent price gap between EU and US products over the past decade, due mainly to the lower production costs in the US. This is outlined in Figure 4.1 below<sup>21</sup>.

### 4.2 Existing trading volumes with US on main products

The EU and US are major global producers and exporters of pigmeat worldwide. With 152 million pigs and a yearly production of about 23 million t carcass weight the EU is the world's second biggest producer of pigmeat after China and the biggest exporter. However, trade between the two blocs remains very low, due to both tariff restrictions and non-tariff regulatory barriers.

<sup>21</sup> Available at <http://www.bordbia.ie/industry/farmers/pricetracking/pig/pages/prices.aspx> sourced on 11.03..2015



**Figure 4.1: Irish vs US Pig Prices 2005-2014**

EU tariffs apply mainly on ham, shoulders, carcasses and boneless products while US tariffs apply on processed products. EU tariffs for pigmeat products are considerably higher than the US. An example is the tariff applied to loins, to which the EU applies a tariff of €86.90 per 100kg<sup>22</sup>. In 2013, EU pigmeat exports to the US were valued at €161m, or 1% of EU total agricultural exports to the US. US imports into the EU market were even lower, with a value of only €7m, or 0.1% of the total value of EU agricultural imports from the US<sup>23</sup>.

#### 4.2.1 Non-tariff barriers – cost implications

A major contributor to the price differential between EU and US producers is the wide-scale use of antibiotic treatments and the use of ractopamine ('Palene') in US pig production. Ractopamine is a feed additive used to promote leanness in animals raised for their meat. It is banned from use in livestock production in the EU, China and Russia. The EU has maintained a ban on imported products in which ractopamine has been used, despite a Codex Alimentarius<sup>24</sup> ruling in 2012 adopting maximum residue levels for ractopamine.

It should be noted that only four farms in the US have been approved under the "Pork for the EU" programme, which was set up in 1999. IFA believes that this provides clear evidence that the economic viability of producing pigmeat for export into the EU market could be questioned, where the use of ractopamine is not permitted.

US pig producers have access to more GM-feed events and PAPS (Processed Animal Proteins) are not obliged to conform to the same animal welfare standards as EU pig producers. The EU over the last 10-20 years has implemented a number of directives promoting animal welfare. Conforming to EU welfare standards has increased both production costs and levels of indebtedness for EU producers.

<sup>22</sup> See Appendix III for full breakdown of tariff lines for pigmeat

<sup>23</sup> EU Commission, EU 28 Agricultural Trade with the US, [http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/us\\_en.pdf](http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/us_en.pdf), accessed on 16.03.2015

<sup>24</sup> Codex Alimentarius - international food standards, guidelines and codes of practice

For EU exporters, there are a number of non-tariff regulatory restrictions, including restrictions on uncooked meat products and complex and costly authorisation procedures for exporting plants and their raw material providers. These have prevented greater expansion into the US market. In addition, the US policy of zero tolerance for *Listeria monocytogenes* on ready to eat foods presents a barrier for EU exports to the US.

### 4.3 Potential Impact of a Trade deal

A significant price differential exists between the EU and US. This is mainly due to lower cost production methods in the US, including the use of growth promoters, use of technologies in feed production, lower energy and labour costs and higher animal welfare and environmental requirements in the EU.

In the pigmeat sector, increased market access to the EU would potentially result in a targeting by the US of high value cuts, such as 'loin' and 'ham'. From an EU export perspective, the higher value placed on ribs and belly by EU consumers may provide a potential opportunity.

The European market for pork is highly segmented and the value of the whole pig is very dependent on the value achieved from each individual cut of the carcass. Consequently, a general TRQ for US imports, without any quantitative limitations on individual cuts, has the potential to create a significant price disturbance on the internal EU market.

With over 60% of Irish pigmeat exports going to the EU market, any large sustained fall in the EU market price could have a very damaging effect on this industry. As an intensive industry with a small number of producers, further concentration of these numbers would potentially undermine the overall viability of the sector.

### 4.4 IFA position on pigmeat for the negotiations

US pigmeat production has a significant cost advantage over EU production, due mainly to the application of differences in production standards and use of technologies between the two sectors.

***In the negotiations on pigmeat, it is critical that Ireland insists on:***

- ***Equivalence of standards for US imports, including a continued prohibition on the use of growth promoters and feed additives.***
- ***Designation of pigmeat as a sensitive product.***
- ***TRQ allocation on a proportionate basis for each individual product line. This must mean access is based upon the 'natural fall' of cuts.***
- ***Pigmeat products permitted for import into the EU must meet equivalent animal welfare standards.***
- ***Reduction of non-tariff barriers for US authorisation of EU export plants***





## 5. POULTRY

Approximately 2,000 people are employed in poultry production, the processing sectors and related industries in Ireland. These jobs are based in rural locations, outside the large urban areas. The rationalisation of the sector in recent years has resulted in increased efficiency at both primary production and processing level.

### 5.1 Price and costs comparison between the EU and US

The poultry sector globally is very integrated (i.e. farmers paid for labour and housing, but do not pay for day-old chicks, feed, vets etc.) and therefore wholesale production cost figures are the most appropriate comparison. Average production costs per kg of carcass weight for the EU are an estimated €1.66 (2011), with production costs in the US an estimated 80% of this figure<sup>25</sup>.

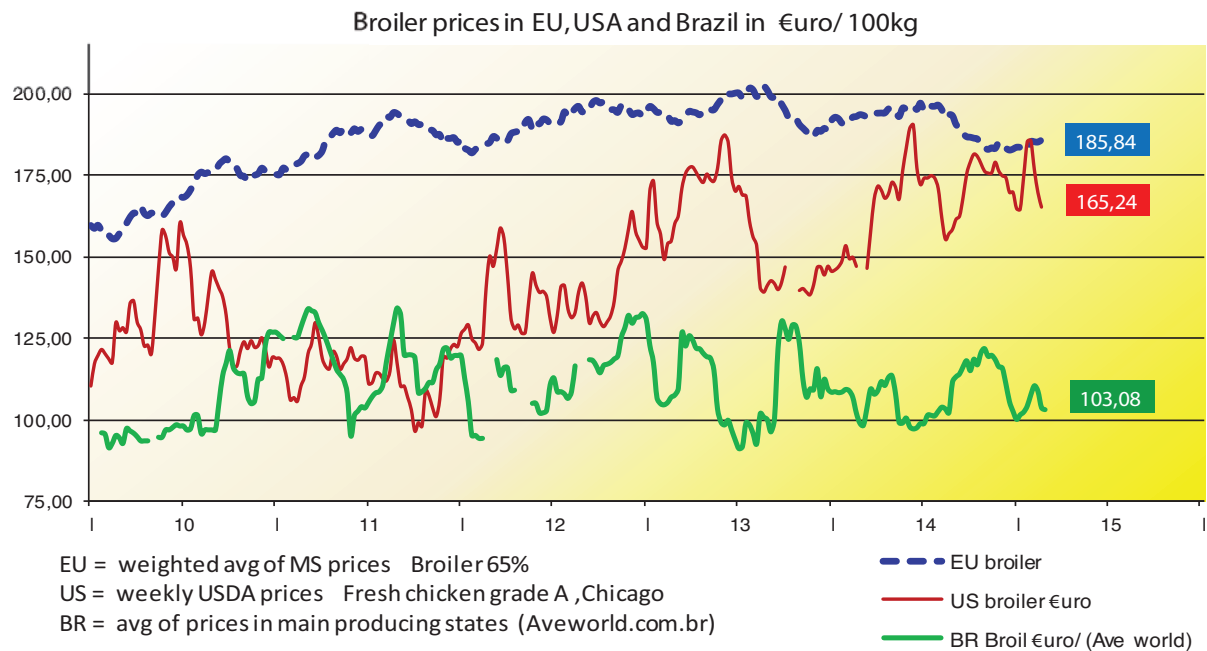
The reasons for the differences in costs of production are similar to those found in the beef and pigmeat sectors – i.e. lower feed costs, labour costs, energy costs, access to new technology, and lower costs of regulatory compliance. For example, Processed Animal Proteins as a feed product are permitted outside the EU, whereas they are banned within the EU. This increases the production costs for EU producers.

Due mainly to the lower costs of production, the US market price is significantly below the EU price. The graph below shows the evolution of Broiler prices in EU, USA and Brazil in Euro/ 100kg between 2010 and 2015, with US prices consistently below the EU average<sup>26</sup>.

<sup>25</sup> *Competitiveness of the EU poultry meat sector*, Table 3.6, based on 9 EU Member States, LEI Research Institute, Wageningen University, 2013, available at <http://www.avec-poultry.eu/system/files/archive/new-structure/avec/Communication/Study%20final%20version.pdf>

<sup>26</sup> *EU Market Situation for Poultry*, Committee for the Common Organisation of the Agricultural Markets, 19 February 2015, [http://ec.europa.eu/agriculture/poultry/presentations/index\\_en.htm](http://ec.europa.eu/agriculture/poultry/presentations/index_en.htm), accessed at 16.03.2015





**Figure 5.1: Comparisons between EU/US wholesale poultry prices 2010-2015**

## 5.2 Existing trading volumes with US on main products

The EU and US are significant traders of poultry meat on the global market. In 2013, US exports of poultry meat were valued at \$5.5b, with exports of over 4m tonnes<sup>27</sup>. In 2013, the EU exported 1.3m tonnes of poultry meat with a value of €1.9 billion, while it imported 0.5m tons with a value of €1.6b<sup>28</sup>.

Similar to pigmeat, poultry trade between the EU and the US is at a very low level. In 2013, for example, EU exports to the US were valued at less than €1m, while US imports into the EU market were less than €0.5m<sup>29</sup>.

### 5.2.1 Tariff and non-tariff barriers

The US benefits from a 16,600 m tonne TRQ with reduced tariffs into the EU. However, significant non-tariff barriers exist which are preventing greater levels of US imports into the EU. Due to the EU ban on imports that have been treated with pathogen reduction agents (e.g. Chlorite) and on antimicrobial growth promoters, US exports of poultry to the EU market remain extremely limited.

These include an EU ban on antimicrobial growth promoters, and a ban on products treated with Pathogen reduction treatment (e.g. Chlorite). EU Imports of poultry meat from the US suffered a severe drop after 2006 following the introduction of the EU programme “from the farm to the fork”, that banned products treated with pathogen reduction treatments.

For EU exports, the US policy of zero tolerance for *Listeria monocytogenes* on ready to eat foods presents a barrier to the US market.

<sup>27</sup> USA Poultry and Egg Export Council, <http://www.usapeec.org/>, accessed at 16.03.2015

<sup>28</sup> Poultry Meat EU 28 Main Markets 2013, [http://ec.europa.eu/agriculture/statistics/trade/2013/graphs/g4\\_poul\\_qty.pdf](http://ec.europa.eu/agriculture/statistics/trade/2013/graphs/g4_poul_qty.pdf), accessed at 16.03.2015

<sup>29</sup> EU 28 trade with the United States, EU Commission, available at [http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/us\\_en.pdf](http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/us_en.pdf), accessed at 16.03.2015

### 5.3 Potential implications of a trade deal

Due to the competitive cost advantage enjoyed by US producers, the opening up of the EU market with a significant TRQ for US imports, and a relaxation of standards for imports, could result in a targeting of the EU market for high value cuts, such as breast fillet, and prepared poultry meat and turkey meat. A significant increase of US imports of high value fillets could create a significant market disturbance, reducing the EU market price.

### 5.4 IFA Position on poultry meat for negotiations

US poultry production has a significant cost advantage over EU production, due mainly to the application of differences in production standards and use of technologies between the two sectors. With over 90% of Irish poultry exports going to the EU market, any large sustained fall in the EU market price could have a very damaging effect on the poultry industry.

***In the negotiations on poultry, it is critical that Ireland insists on:***

- ***Equivalence of standards for US imports, including a continued prohibition on the use of growth promoters and feed additives.***
- ***TRQ allocation on a proportionate basis for each individual product line. This must mean access is based upon the 'natural fall' of cuts.***

## APPENDICES:

# Detailed Tariff Regimes for Agricultural Sectors

### Appendix I: EU Tariff Regime for Beef

<b>201</b>	<b>Meat of bovine animals fresh or chilled</b>	
0201 10 00	Carcases and half carcases	12,8+176,8 €/100 kg/net (1)
<b>0201 20</b>	<b>Other cuts with bone in:</b>	
0201 20 20	'Compensated' quarters	12,8+176,8 €/100 kg/net (1)
0201 20 30	Unseparated or separated forequarters	12,8+141,4 €/100 kg/net
0201 20 50	Unseparated or separated hindquarters	12,8+212,2 €/100 kg/net (1)
0201 20 90	Other	12,8+265,2 €/100 kg/net (1)
0201 30 00	Boneless	12,8+303,4 €/100kg/net (1)
<b>202</b>	<b>Meat of bovine animals, frozen:</b>	
0202 10 00	Carcases and half-carcases	12,8+176,8 €/100kg/net (1)
<b>0202 20</b>	<b>Other cuts with bone in:</b>	
0202 20 10	'Compensated' quarters	12,8+176,8 €/100kg/net (1)
0202 20 30	Unseparated or separated forequarters	12,8+141,4 €/100kg/net (1)
0202 20 50	Unseparated or separated hindquarters	12,8+221,1 €/100 kg/net
0202 20 90	Other	12,8 +265,3 €100 kg/net
<b>0202 30</b>	<b>Boneless:</b>	
0202 30 10	Forequarters, whole or cut into a maximum of five pieces, each quarter being in a single block; 'compensated' quarters in two blocks one of which contains the forequarter whole or cut into a maximum of five pieces, and the other, the hindquarter, excluding the tenderloin, in one piece	12,8+221,1 €/100 kg/net (1)
0202 30 50	Crop, chuck and blade and brisket cuts (2)	12,8+221,1 €/100 kg/net (1)
0202 30 90	Other	12,8+304,1 €/100 kg/net (1)
<b>206</b>	<b>Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen:</b>	
0206 10 95	Thick skirt and thin skirt	12,8+303,4 €/100 kg/net (1)
	<b>Of bovine animals, frozen:</b>	
0206 29 91	Thick skirt and thin skirt	12,8+304,1 €/100 kg/net (1)

### Appendix II: TRQ for Beef imports into the EU

Quota (TRQ)	Capacity	Countries	Conditions
Hormones Panel	20,000t in 2011/12 45,975t in 2012/13 48,200t in 2013/14	USA, Canada, Australia New Zealand Uruguay	Fresh chilled or frozen meat from beef heifers less than 30 months
Hilton	11,500t	USA, Canada	High quality fresh chilled or frozen from beef animals less than 30 months and fed 70% Grain diet.

## Appendix III: EU and US Tariff Regimes for Pigmeat

Code 2	CHAPTER 2 MEAT AND EDIBLE MEAT OFFAL	Tariff Line MFN - USA	Tariff applied by EU
203	Meat of swine, fresh, chilled or frozen:		
	Fresh or chilled:		
0203.11	Carcases and half-carcases	0%	
0203 11 10	Of domestic swine		53,6 €/100 kg/net (1)
0203.12	Hams, shoulders and cuts thereof, with bone in:		
0203.12.10	Processed	1.4 Cent/kg	
0203 12 11	Hams and cuts thereof		77,8/100 kg/net (1)
0203 12 19	Shoulders and cuts thereof		60,1 €/100 kg/net (1)
0203.12.90	Other	0%	free
0203.19	Other:		
0203 19 11	Fore-ends and cuts thereof		60,1 €/100 kg/net (1)
0203 19 13	Loins and cuts thereof, with bone in		86,9 €/100 kg/net (1)
0203 19 15	Bellies (streaky) and cuts thereof		46,7 €/100 kg/net (1)
0203.19.20	Processed	1.4 Cent/kg	
0203.19.40	Other	0%	
	Frozen:		
0203 19 55	Boneless		86,9 €/100 kg/net (1)
0203 19 59	Other		86,9 €/100 kg/net (1)
0203 19 90	Other		Free
	Frozen:		
0203.21	Carcases and half-carcases	0%	
0203 21 10	Of domestic swine		53,6 €/100 kg/net (1)
0203 21 90	Other		Free
0203.22	Hams, shoulders and cuts thereof, with bone in:		
0203.22.10	Processed	1.4 Cent/kg	
	Of domestic swine:		
0203 22 11	Hams and cuts thereof		77,8 €/100 kg/net (1)
0203 22 19	Shoulders and cuts thereof		60,1 €/100 kg/net (1)

## Appendix IV: EU Tariff Regime for Poultry

Code	Product	EU Tariff Line	(1) WTO tariff quota: Allocated to the United States of America Poultry 16 665 t
207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen:		
	Of fowls of the species Gallus domesticus:		
0207 11	Not cut in pieces, fresh or chilled:		
0207 11 10	Plucked and gutted, with heads and feet, known as '83 % chickens'	26.2 €/100 kg/net (1)	13.1 €/1 00 kg/net
0207 12	Not cut in pieces, frozen: (2)		
0207 12 10	Plucked and drawn, without heads and feet but with necks, hearts, livers and gizzards, known as '70 % chickens' (2)	29.9 €/100 kg/net (1)	14.9 €/1 00 kg/net
0207 12 90	Plucked and drawn, without heads and feet and without necks, hearts, livers and gizzards, known as '65 % chickens', or otherwise presented (2)	32.5 €/100 kg/net (1)	16.2 €/1 00 kg/net
0207 13	Cuts and offal, fresh or chilled:		
	Cuts:		
0207 13 10	Boneless	102.4 €/100 kg/net (1)	51.2 €/1 00 kg/net
	With bone in:		
0207 13 20	Halves or quarters	35.8 €/100 kg/net (1)	17.9 €/1 00 kg/net
0207 13 30	Whole wings, with or without tips	26.9 €/100 kg/net (1)	13.4 €/1 00 kg/net
0207 13 40	Backs, necks, backs with necks attached, rumps and wing-tips	18.7 €/100 kg/net (1)	9.3 €/1 00 kg/net
0207 13 50	Breasts and cuts thereof	60.2 €/100 kg/net (1)	30.1 €/1 00 kg/net
0207 13 60	Legs and cuts thereof	46. €/100 kg/net (1)	23.1 €/1 00 kg/net



**Unity | Strength | Delivery**



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