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CETA: EDA calls for a fair management of the cheese TRQ agreed under CETA

Within weeks from the implementation of the trade pillar of the EU-Canada Comprehensive Economic and Trade Agreement, the European Dairy Association expresses its concerns regarding the management of the cheese Tariff-Rate Quotas which would jeopardise the spirit of the CETA and limit the access of EU cheeses to the Canadian market.

Several reports have been stating that the Canadian authorities would be giving 60% of the cheese TRQ agreed under CETA to the Canadian cheese manufacturers. The allocation to the Canadian cheese manufacturers would threaten the access of the EU cheeses to the Canadian market.

Alexander Anton, EDA Secretary General, says: *“The CETA Declaration on TRQ administration states that: ‘the general principle is that tariff rate quota administration should be as conducive to trade as possible. More specifically, it must not impair or nullify the market access commitments negotiated by the Parties; it must be transparent, predictable, minimise transactional costs for traders, maximise fill rates and aim to avoid potential speculation.’ The allocation of the TRQ to the Canadian cheese manufacturers would not be in accordance with these principles”.*

Canadian cheese manufacturers, to avoid any external competition, would make sure that the imported cheese would not be in competition with the domestic production. There is a risk that the TRQ would not be used fully as it would be up to these companies to decide if and when to import EU cheeses.

“We are aware that there has been a lot of internal pressure in Canada from these groups to administer the cheese quota”, adds Alexander Anton. *“However, we do not find it acceptable that the quota would be used as compensation to the Canadian dairy sector for the market opening agreed under the CETA”.*

For EDA, the preferred system would be a combination of allocation to historical importers, while offering also opportunities for new importers, based on strict eligibility criteria combined with a fair and accurate activity test and on a request of import license for the TRQ.





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“With this scheme, we question the commitment of Canada towards free trade”, concludes Alexander Anton. “We have seen the raising of more technical barriers, such as the implementation of the Class 7 pricing system, which changes the spirit we thought we were engaging in with the CETA.”

EDA calls the Commission to oppose this system and the allocation of 60% of the cheese TRQ to Canadian cheese manufacturers and requests the Canadian authorities to offer a fairer system for the TRQ management.

ABOUT THE EUROPEAN DAIRY ASSOCIATION

The European Dairy Association represents the interests of dairy processors in the European Union. The membership of EDA consists of the associations of dairy processors in EU Member States.

FOR MORE INFORMATION

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