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30 November 2022

FYI on processed meats

Summary

The FTA between New Zealand and the United Kingdom includes an improvement in access conditions for New Zealand's beef and sheepmeat. When it enters into force, the agreement will allow for new quotas of 12,000 tonnes p.w. of beef and 35,000 tonnes c.w.e. of sheepmeat at 0% tariff. Volumes will grow annually until all quotas are removed after 10 years for beef¹, and 15 years for sheep meat.²

Companies that have not previously exported beef to the UK, have access to 3.5% of the quota for products covered under the Tariff Rate Quota (TRQ). These products include for the first time processed meats (UK HS Code 0210) and meat preparations (UK HS Code 1602).

Information about access to this quota can be received from New Zealand Meat Board at info@nzmeatboard.org

Access to the Tariff Rate Quota for sheepmeat and beef to the United Kingdom

The Free Trade Agreement (FTA) between New Zealand and the United Kingdom includes an improvement in access conditions for New Zealand's beef and sheepmeat.

For beef access, 12,000 tonnes product weight (p.w.) is provided, rising by 2,980 tonnes per year at a preferential tariff of 0% until the eleventh year at which time there is unrestricted access, subject to safeguards, until year 16. For sheepmeat, additional free access of 35,000 tonnes is allowed until the fifth year in which it rises to 50,000 tonnes and becomes fully liberalised after 15 years.

The beef quota provides access for some products for which tariff rates have been prohibitive, including processed meat (UK HS 0210) and prepared foods (UK HS 1602).

The New Zealand Meat Board is required under the Meat Board Act 2004 (8.1(a)) to establish and operate quota management systems.

The quota mechanism is required to provide access to new entrants, being in this case those entities that are not eligible to receive allocations based on production or export history.

¹ For details, see Annex 2-A of the NZ-UK FTA, <u>here</u>. This also provides details on the product-specific safeguard for beef which may be applied from Year 11 to Year 15 only.

² Subject to the UK's ongoing ratification process the NZ-UK FTA is anticipated to enter into force in early 2023. Year One quota volumes are to be prorated in proportion to the number of days remaining in the year in the first quota year if the FTA enters into force after 1 January.

The proposed provision for new entrants for 2023 is 3.5% of the quota.

For companies that have not previously exported beef products to the UK, this new quota represents an opportunity to access that market, particularly for producers of processed meats or prepared foods.

The products within UK HS 0210 and 1602 that are eligible for the preferential tariff are:

Beef related UK HS 0210

Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal

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0210.20.10	Meat of bovine animals, salted, in brine, dried or smoked, with bone in
0210.20.90	Boneless meat of bovine animals, salted, in brine, dried or smoked
0210.99.51	Edible thick skirt and thin skirt of bovine animals, salted, in brine, dried or smoked

Beef related preparations of meat UK HS 1602

Other prepared or preserved meat, meat offal, blood or insects

1602.50.10	Prepared or preserved meat or offal of bovine animals, uncooked, incl. mixtures of
	cooked meat or offal and uncooked meat or offal (excl. sausages and similar
	products, and preparations of liver)

- 1602.50.31 Corned beef, in airtight containers
- 1602.50.95 Meat or offal of bovine animals, prepared or preserved, cooked (excl. corned beef in airtight containers, sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of <= 250 g, preparations of liver and meat extracts and juices)
- Prepared or preserved meat or meat offal, uncooked, containing meat or offal of bovines, incl. mixtures of cooked or uncooked meat and cooked or uncooked offal (excl. of poultry, domestic swine, reindeer, game or rabbits, sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of <= 250 g, and preparations of liver)
- Prepared or preserved meat or meat offal, cooked, containing meat or offal of bovine animals (excl. of poultry, domestic swine, game or rabbits, sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of <= 250 g, preparations of liver and meat extracts and juices)