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EU-25

Poultry and Products

EU and Brazil agree on new EU poultrymeat import regime

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Report Highlights:

The European Union has concluded an agreement with Brazil on a new regime for imports of salted poultrymeat, preparations of turkey meat and cooked chicken meat into the EU. This is the result of the WTO case on the EU customs classification of poultrymeat, which was won by Brazil and Thailand. The three new EU TRQ's for processed poultry will amount to 600,000 MT, of which 336,000 MT are allocated to Brazil. The outstanding amounts of the TRQ's are mainly destined for Thailand. EU discussions with Thailand continue, as Thailand claims additional volumes, based on its highest export years amounts, instead of most recent years amount basis. Thailand makes this claim because its exports were severely damaged following the Avian Influenza outbreak at the end of 2003.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E3]

"The European Union has concluded an agreement with Brazil on a new regime for imports of salted poultry meat, preparations of turkey meat and cooked chicken meat into the EU. The agreement modifies the current bound tariff rate concessions for the three items in question and foresees the creation of three new tariff rate quotas, in conformity with the procedure set out by GATT Article XXVIII." These are the opening sentences of a [press release](#)¹ on the EC DGTrade website. This agreement with Brazil on TRQ for poultry imports is the consequence of the EU loss in the WTO case on the "Customs Classification of Frozen Boneless Chicken Cuts" (DS269 and DS286). See [GAIN E35185](#)².

The EU is opening a new TRQ for salted poultry meat (HS code 0210 99 39) of 264,245 tons at a bound rate of 15.4% ad valorem. For quantities above this, the out-of-quota rate will be 1,300€/ton. The allocation for Brazil will be 170,807 tons. A new TRQ for preparations of turkey meat (HS code 1602 31) of 103,896 tons is opened at a bound rate of 8.5% ad valorem. The out-of-quota rate will be 1,024€/ton. The quantity allocated to Brazil will be 92,300 tons. For the third product, cooked chicken meat (HS code 1602 32 19), a new TRQ of 230,453 tons is opened at a bound tariff of 10.9% ad valorem. The out-of-quota rate will be 1,024€/ton. The volume attributed to Brazil will be 73,000 tons.

The volumes of all three quota beyond Brazil's share are mainly destined for Thailand, which is the second benefiting country from the WTO case. However, Thailand has not agreed with the EU on these volumes as it claims that it had much larger poultry exports until it was hit by Avian Influenza (AI) at the end of 2003. As a result of the AI outbreak, Thailand was only allowed to export cooked products to the EU, but it took its industry about two years to adjust and build poultry cooking capacity. Therefore, Thailand claims it should be awarded larger import TRQ's to the EU.

Besides poultry products covered under the above-mentioned quota, EU imports of uncooked poultry have increased to 70,000 MT in 2005. As a result of the conclusion of this agreement, it can be estimated that EU chicken imports will increase by 1 percent to about 7.5 percent of EU domestic consumption compared to 6.5 percent in 2005. The import into the TRQ's alone will amount to 6.7 percent of the EU domestic consumption, as can be deducted from below PSD. For turkey, the import TRQ will cover about 5.5 percent of EU turkey consumption. PSD's can be found in GAIN [E36108](#) – EU-25 Poultry Annual Report.

Country:	EU25					
Commodity:	Meat, Broiler (1000MT CWE)					
Year	2005		2006		2007	
	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]
Beginning Stocks	0	0	0	0	0	0
Production	7,625	7,736	7,540	7,425	0	7,530
Imports	485	522	450	600	0	645
TOTAL SUPPLY	8,110	8,258	7,990	8,025	0	8,175
Exports	740	755	720	620	0	685
TOTAL Dom. Consumption	7,370	7,503	7,270	7,405	0	7,490
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	8,110	8,258	7,990	8,025	0	8,175

¹ http://ec.europa.eu/trade/issues/sectoral/agri_fish/agri/pr261006_en.htm

² <http://www.fas.usda.gov/gainfiles/200509/146130935.pdf>

Country:	EU25					
Commodity:	Meat, Turkey (1000MT CWE)					
Year	2005		2006		2007	
	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]
Beginning Stocks	0	0	0	0	0	0
Production	1,945	1,917	1,865	1,810	0	1,790
Imports	100	103	80	110	0	115
TOTAL SUPPLY	2,045	2,020	1,945	1,920	0	1,905
Exports	185	188	170	150	0	150
TOTAL Dom. Consumption	1,860	1,832	1,775	1,770	0	1,755
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2,045	2,020	1,945	1,920	0	1,905

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