EU-28

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High Quality Beef 2017-18 Quota Second Quarter Fills in One Month

Report Categories:
Livestock and Products
SP2 - Prevent or Resolve Barriers to Trade that Hinder U.S. Food and Agricultural Exports

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Report Highlights:
Increasing interest in High Quality Beef (HQB) along with a HQB quota reduction due to the implementation of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU has had a significant impact on the HQB duty free quota. The second quarter of the 2017/2018 quota, which opened on October 1 and runs through December 31, was reported full as of November 1, 2017, with 8.5 weeks still remaining in the quarter.
General Information:
November 1st, 2017, was the last import date for eligible beef to be allocated in the second quarter of the 2017/18 High Quality Beef (HQB) quota, which opened on October 1st and runs through December 31st. After the first quarter of the 2017/18 HQB quota fully filled in late August with six weeks to go before the second quarter opened, it was already clear that demand would largely outstrip quota availability. The early filling of the first quarter was largely attributed to two causes: a 4,000 MT stock build-up filling a third of the quota on day one and the continued increase of import demand ahead of the HQB quota reduction as a result of the implementation of the Comprehensive Economic and Trade Agreement (CETA) on September 21st.

The new record breaking fill time of this 2nd HQB quarter is easily explained. Demand in the second quarter increases every year ahead of the holiday season. This year, that is exacerbated by a large build-up of imports awaiting allocation on the first day of the new quarter and the decrease in quota availability from 12,050 MT to 11,161 MT after the Canadian share of the HQB was withdrawn as a result of the CETA implementation.