Imports of high-quality beef: autonomous tariff quota

2011/0169(COD) - 24/06/2011 - Legislative proposal

PURPOSE: to open and modify the autonomous import tariff quota for high-quality fresh, chilled or frozen beef.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: a **Memorandum of Understanding (MoU) between the United States of America and the European Commission** regarding the importation of beef from animals not treated with certain growth-promoting hormones and increased duties applied by the United States to certain products of the European Communities, endorsed by the Council by letter of 12 May 2009 and signed in Geneva on 13 May 2009.

The aim of that Memorandum of Understanding is to settle the long-standing WTO dispute between the European Union and the United States of America on Beef Hormones, European Communities—Measures Concerning Meat and Meat Products (Hormones) (DS 26).

It foresees a three-phased arrangement which progressively reduces the level of sanctions imposed by the United States on products from the Union, while the Union progressively increases the tariff-rate quota for high-quality beef that is not treated with growth hormones. The first-phase tariff-rate quota for high quality beef of 20 000 tonnes was established by Council Regulation (EC) No 617/2009. In a second phase, the United States would suspend all remaining sanctions and the Union would expand this tariff rate quota by additional 25 000 tonnes.

On 17 March 2011, the Commission also **signed a Memorandum of Understanding between the Government of Canada** and the European Commission regarding the importation of beef from animals not treated with certain growth-promoting hormones and increased duties applied by Canada to certain products of the European Union.This MoU brings about the suspension of all sanctions imposed by Canada and stipulates the further expansion of the Union autonomous tariff rate quota for high-quality beef by 1 500 tonnes (first phase) and additional 1 700 tonnes (second phase).

The timing foreseen for the first and second phases in the US and Canada Memoranda is the same. It is envisaged in particular that the second phase would normally begin on 1 August 2012 under both Memoranda.

In order to be in a position to establish the above-mentioned increases of the existing tariff rate quota for high-quality beef, to a total of 21 500 tonnes (first phase) and subsequently, 48 200 tonnes foreseen in the second phase of both Memoranda of Understanding starting on 1 August 2012, the legislative procedure needs to be started in a timely manner. This is also necessary in order to follow the Resolution adopted by the European Parliament on 8 March 2011 calling on the Commission to ensure that the settlement of the 'beef hormones' dispute will allow for the suspension of the sanctions on EU products, while guaranteeing that beef imports to the EU will be in line with EU requirements.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: Article 207 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the purpose of this proposal is to request the European Parliament and the Council to amend the existing Regulation opening an autonomous tariff quota for imports of high-quality beef, in order to implement the steps set out in the MoU signed with the United States of America and Canada, respectively.

The measure aims to modify the annual autonomous tariff quota for imports of high-quality beef in the context of the EU-US and the EU-Canada Memoranda of Understanding on "beef hormones". This quota was initially established by Council Regulation (EC) No 617/2009. It increases the tariff quota by **1 500 tonnes** in the first phase following the EU-Canada MoU. In the second phase (from August 2012) an increase of the tariff quota by **26 700 tonnes** is foreseen, as envisaged by the EU-US MoU and the EU-Canada MoU.

BUDGETARY IMPLICATIONS: the customs duty of this tariff-rate quota would remain fixed at zero. Depending on the future beef market situation, imports of high-quality beef may therefore no longer be shipped using the existing quota set up by Regulation (EC) No 810/2008 or out-of-quota. This may imply a loss of own resources of the Union which would be approximately **EUR 4.6 million** net amount after deduction of collection costs for Member States.