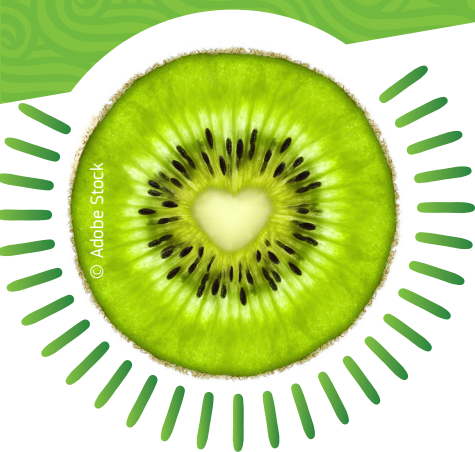




EU-NEW ZEALAND TRADE AGREEMENT WORKING FOR EUROPE'S FARMERS

June 2022



The EU and New Zealand concluded negotiations for a trade agreement on 30 June 2022. The agreement creates new opportunities for European farmers and food producers, while at the same time shielding EU sensitivities.

OPENING NEW EXPORT OPPORTUNITIES

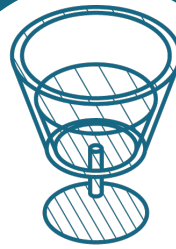
ELIMINATING IMPORT DUTIES ON ALL EU AGRI-FOOD EXPORT TO NEW ZEALAND

European farmers and food businesses will see new business opportunities in New Zealand, as the trade agreement removes **all tariffs at entry into force** on EU agri-food exports. It also expands the protection of EU traditional foodstuffs, including wines, through the adoption of our EU Geographical Indications system.

Tariffs will go down to zero on all products, including for key EU export products, such as:

- Pigmeat
- Wine and sparkling wine
- Pet food
- Chocolate, sugar confectionary and ice cream
- Dairy products, including cheeses





PROTECTING THE EU'S FINEST FOOD AND DRINK PRODUCTS

- The EU protects the names of specific food and drink products whose qualities are closely linked to the area of production through the “Geographical Indications” (GIs) status
- This is an important and significant expansion of our system to protect rural intellectual property.
- The GI recognition establishes an intellectual property right for these products’ names, helping producers to better market their products, sell them for a premium as well as enabling consumers to trust and distinguish **high quality and authentic products**
- The Agreement will protect in New Zealand the full list of EU wines and spirits (close to

2000 names) including Prosecco, Polish Vodka, Rioja, Champagne and Tokaji. An outcome that **creates a new gold standard** in EU FTAs.

- In addition, 163 of the most renowned EU food GIs, such as Feta, Asiago, Comté, Parmigiano-Reggiano or Queso Manchego cheeses, Istarski pršut ham, Lübecker Marzipan, Elia Kalamatas olives will be protected in New Zealand.
- The Agreement – that protects also 23 wine GIs from NZ - **foresees the opportunity** for both Parties to add more GIs in the future.



DEFENDING THE INTERESTS OF EUROPEAN FARMERS

The EU is very carefully opening its market for New Zealand imports of agri-food products.

For sensitive products, access to the EU market will be limited through carefully calibrated tariff rate quotas, gradually implemented.

Beef meat Under the agreement, the EU will allow a tariff rate quota of **10 000 tonnes** to be imported **with reduced duty of 7.5%**. This volume will be gradually phased in over **7 years** from the entry into force of the agreement. This is a modest volume, recognising the particular sensitivity of the beef sector, and is limited only to high quality grass-fed beef, with higher costs of production and higher sustainability credentials than beef obtained via feedlots.



10 000 TONNES

Sheep meat Under the agreement, the EU will allow a tariff rate quota of **38 000 tonnes** to be imported duty free. This volume will be gradually phased in over **7 years** from the entry into force of the agreement.



15 000 TONNES

Milk powders A tariff rate quota of **15 000 tonnes** will be opened with **20% MFN duty**. This volume will be gradually phased in over 7 years from the entry into force of the agreement.

Butter New Zealand has currently access to the tariff quota of 47 177 t **allocated under the EU's WTO schedule with the in-quota tariff of 38% of the MFN duty. For the volume of 21 000 t, the tariff under this quota will gradually be reduced to 5% of the MFN duty. EU will also allow imports within the limit of the new tariff rate quota of 15 000 t with the same gradually reduced duty.**

Cheese Under the agreement, the EU will allow a tariff rate quota of **25 000 tonnes** to be imported **duty free**. This volume will be gradually phased in over **7 years** from the entry into force of the agreement. **At the same time EU will reduce the tariff from 170,6 eur/t to 0 for two tariff quotas for cheese of combined volume of 6 031 t allocated under the EU's WTO schedule to New Zealand.**

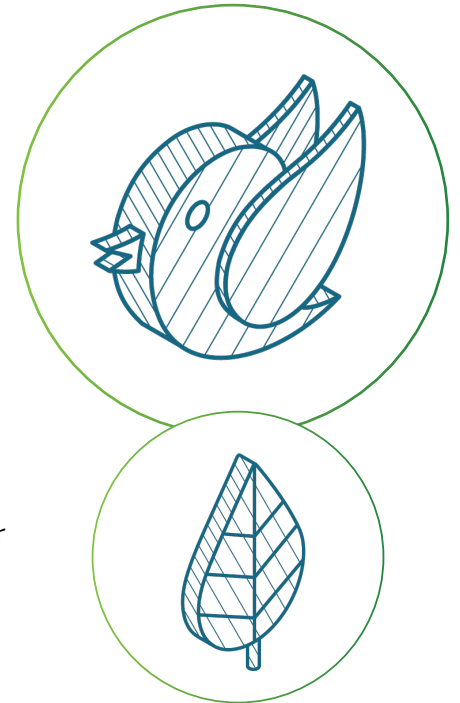
Access through tariff rate quotas will also be granted for high protein whey (3 500 t phased in over 7 years with zero duty), sweetcorn (800 t at zero duty) and ethanol (4000 t at zero duty).

25 000 TONNES



SUSTAINABLE AND SAFE FOOD

- With a dedicated chapter on Sustainable Food Systems and Animal Welfare, the parties will **work together on animal welfare, food, pesticides and fertilisers**
- They will also cooperate to ensure the security and resilience of supply chains
- EU health and food safety rules apply to all products sold in the EU, whether produced domestically or imported
- These are not negotiable, this deal does not affect these rules whatsoever



- This includes GMO¹ rules and maximum **residue levels for pesticides**
- We keep our full right to regulate food safety in the interest of EU citizens' health
- We can take **measures to protect the health** of EU citizens when the scientific evidence on whether imported food is safe or not is inconclusive²
- Our robust system of checks allows us to make sure that **EU rules are always respected.**



¹ Genetically Modified Organisms

² Precautionary principle