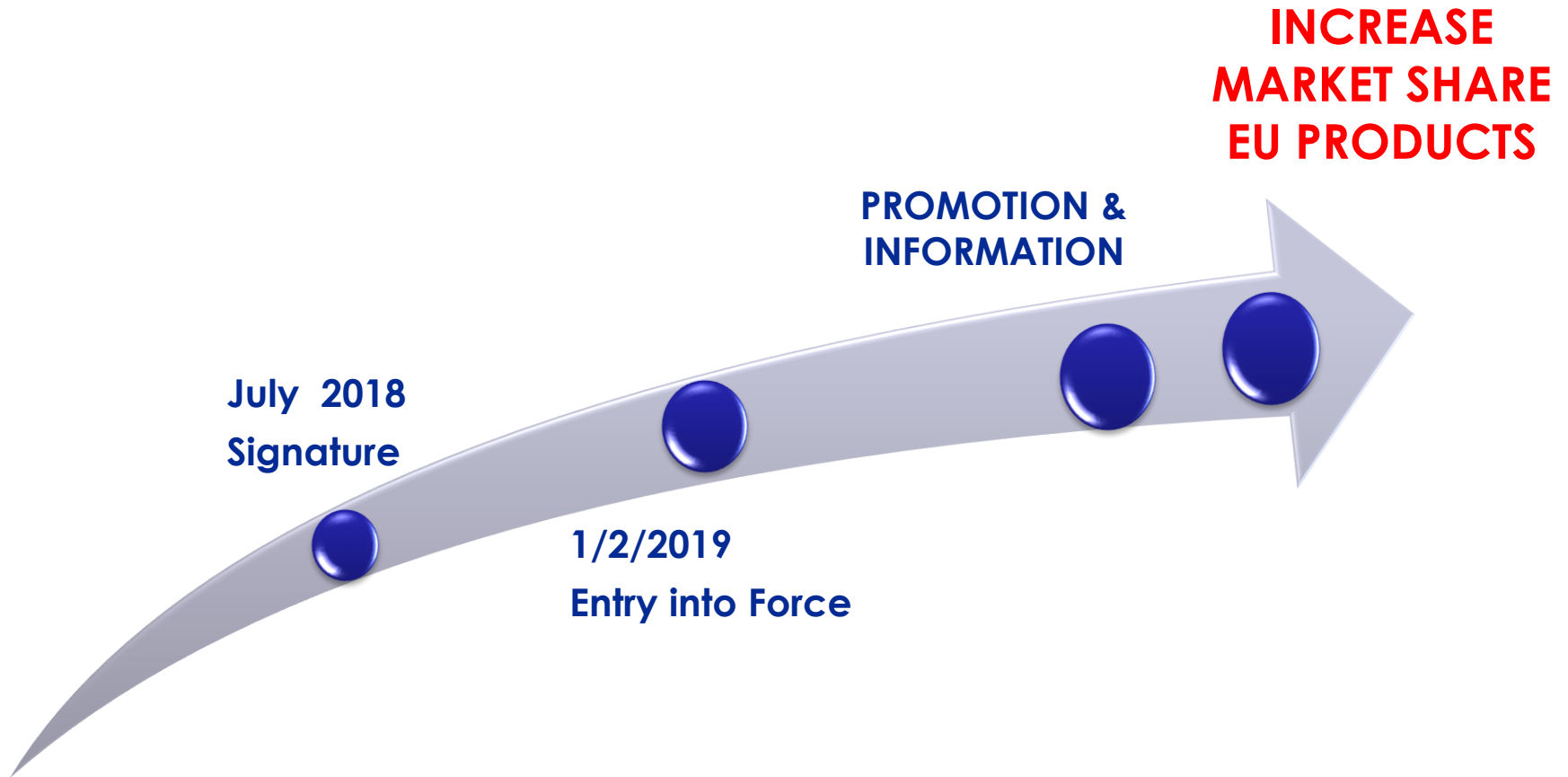


EU – JAPAN EPA

DAIRY PRODUCTS

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.

EPA PROCESS



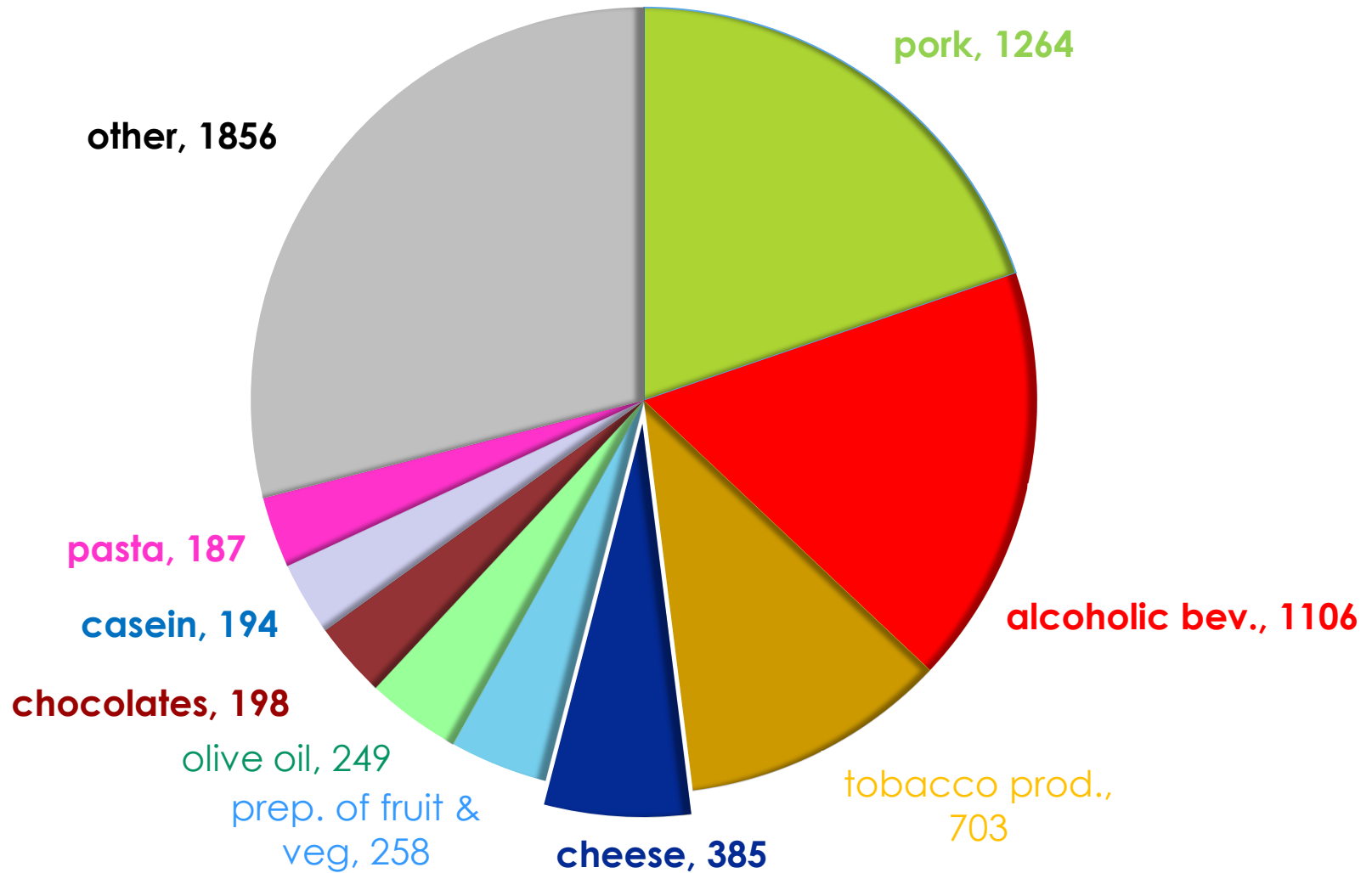
OVERVIEW

- What the EPA is offering.
- Some trade data ...
- Market Access
 - Cheeses
 - Butter and SMP
 - Whey products
 - Other dairy products
- Geographical Indications
- Rules of Origin
- Information sources

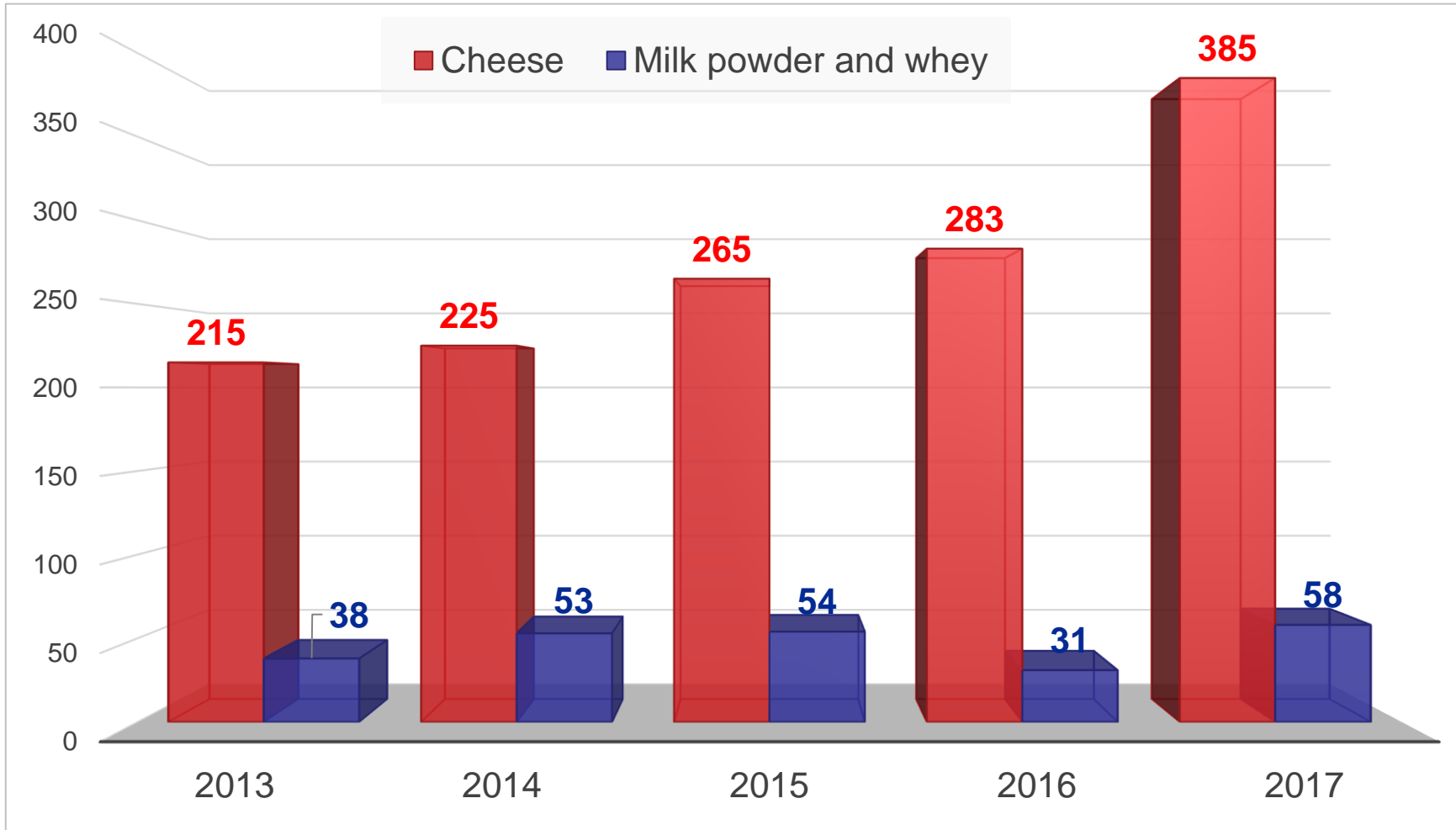
A FEW HIGHLIGHTS OF WHAT'S THE EPA IS OFFERING

Main Products	Before EPA	EPA Tariff	EPA TRQ	Transition
Hard cheeses	29.8%	Free trade		15 years
Other cheeses	22.4%-40%	0% within TRQ	TRQ: 20000t to 31000t	15 years
Butter, SMP & condensed milk	21.3% + 396 Yen/kg - 29.8% + 1159 Yen/kg	Phasing-out specific duties	TRQ: 12857t to 15000t	10 years
SMP for feeding	396 – 425 Yen/kg	Duties reduced by 95%		5 years
Whey products	29.8% + (425 - 1023 Yen/kg)	0% within TRQ	TRQ: 6200t to 9400t	5 years

EU AGRI-FOOD 2017 EXPORTS TO JAPAN (MIO €)



MAIN EU DAIRY EXPORTS TO JAPAN (mio €)



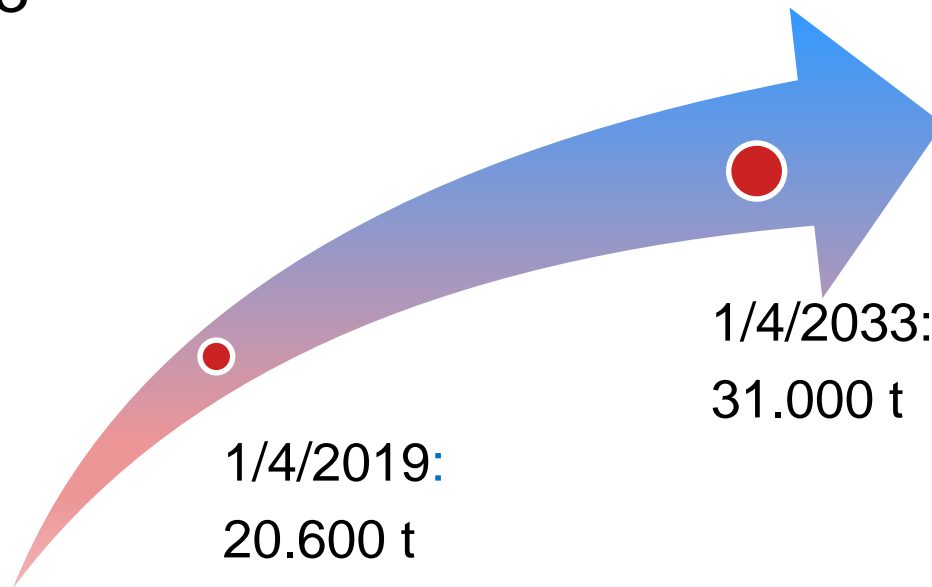
- Hard cheeses: **the bulk of EU quality cheeses**
 - base rate duties (up to 29.8%) gradually eliminated.
 - **duty free** as from 1/4/2033

Examples:
leading EU cheeses:
cheddar, gouda,

and GI cheeses:
**Parmigiano Reggiano,
Edam Holland**

TRQ for fresh, soft and processed cheeses

with base rates duties (up to 40%) to become zero by 1/4/2033

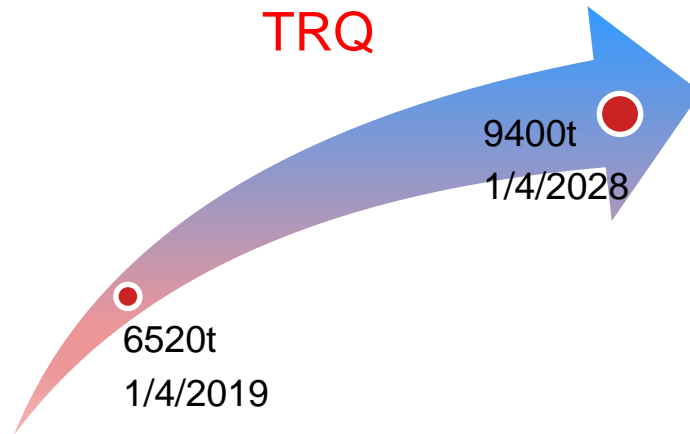


**Continued growth based on
cheese consumption
growth in Japan**

Including: mozzarella, blue veined
cheeses, brie, Feta ...

WHEY PRODUCTS

- Various types of preferences in function of the product in function of protein, mineral and sugar content; etc.
- Mineral concentrated whey, whey infant formula and whey permeate:



Gradual in-quota duty reduction
Duty free as from 1/4/2023

- Other whey products: duty free between 1/4/2023 and 1/4/2028, or gradual duty reduction by 50 to 70% of the base rate in 5 to 10 years.

WHEY PRODUCTS

Safeguard Measure for whey protein concentrate and whey powder

- WPC
 - trigger: 2000t to 7438t on 1/4/2037; to increase indefinitely by 573t/yr.

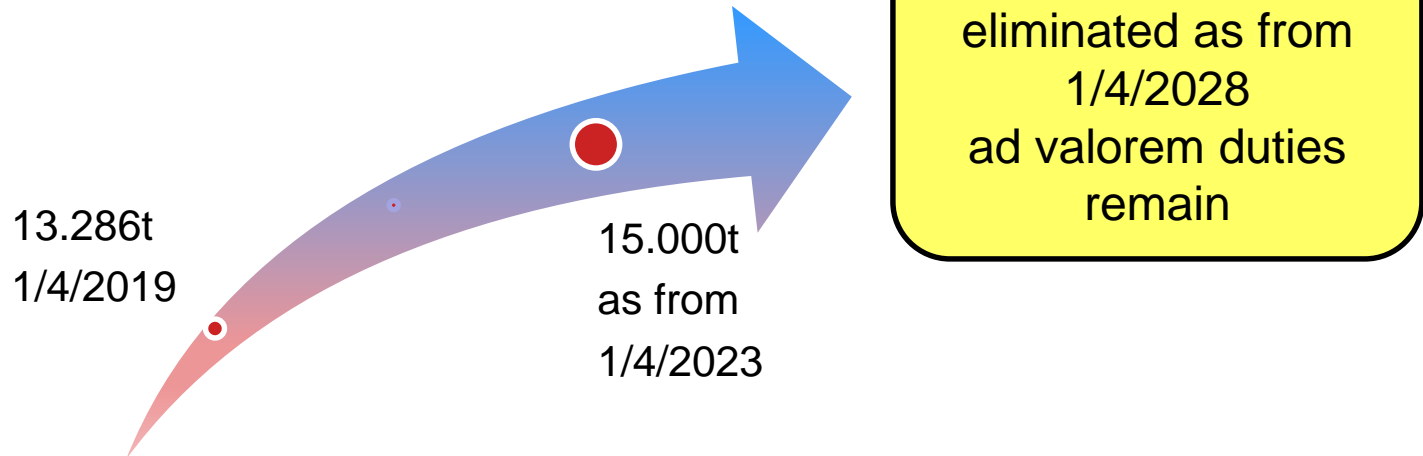
- Whey powder
 - trigger: 2300t to 5190t on 1/4/2032; to increase indefinitely by 458t/yr.

- SG measure to be definitely abolished is not applied for a number of years after a given period.

OTHER DAIRY

- Skimmed milk powder (SMP) & Butter:
 - Important TRQ together with butter

TRQ SMP & Butter



- To note: SMP for feeding: 95% tariff reduction in 6 yrs.
- Lactose, some ice cream and food preparation based on dairy: tariff elimination

Full protection for 210 EU GIs, among which more than 25 cheeses.

- ▶ Direct protection of GIs under the EPA.
- ▶ Relation between GIs and Trade Marks (TMs):
 - ▶ no registration in Japan of subsequent TMs;
 - ▶ coexistence with pre-existing TMs is addressed.
- ▶ Listed prior uses to expire within 5 or 7 years
- ▶ Possibility to add new GIs in the future.



RULES OF ORIGIN

- Specified by product in the Product Specific Rules of Origin (PSR) – **Annex 3-B**
- PSR dairy products manufacturing:
 - Chapter 4 products: wholly obtained
 - Non-chapter 4 products: can be of non-EU origin.

Example

EU yoghurt imported in Japan under EPA preference:
the milk (CH4) used in the production must be of EU origin;
the sugar (CH17) can be of non-EU origin.

- More RoO details in the relevant Factsheet published on the website of the EU-Japan Centre.

INFORMATION SOURCES

▶ EPA text and Annexes:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

Of which:

- ▶ Annex 2-A: Schedule and Notes (TRQ, etc);
- ▶ Annex 2-E: Facilitation of wine export;
- ▶ Annex 3-B: Product specific rules of origin;
- ▶ Annex 14-B: GIs.

▶ EPA Helpdesk: <https://www.eu-japan.eu/epa-helpdesk>



▶ Fiches per sectors and webinars on EPA outcome

9 April	Wines and Spirits
7 May	Geographical Indications
21 May	Dairy Products
11 June	Meat Products
18 June	Processed Agricultural Products

INFORMATION SOURCES

- ▶ Overall import conditions in Japan:
 - ▶ European Commission DG TRADE “Market Access Database”:
<http://madb.europa.eu/madb/indexPubli.htm>
 - ▶ European Commission DG AGRI “Food and Beverage Handbook – Japan”:
<https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan>
- ▶ Japan’s Customs:
http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm

INFORMATION SOURCES

- ▶ European Commission (DG TAXUD) – Rules of Origin:
 - ▶ https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en
 - ▶ https://ec.europa.eu/taxation_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan_en
 - ▶ https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_japan_epa_guidance_claim_verification_denial_en.pdf

- ▶ European Commission: Geographical Indications
 - ▶ <https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels>

Thank you for your attention

Yvan VAN EESBEEK

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QUESTIONS ?

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