

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.



EU-Japan Centre
for Industrial Cooperation
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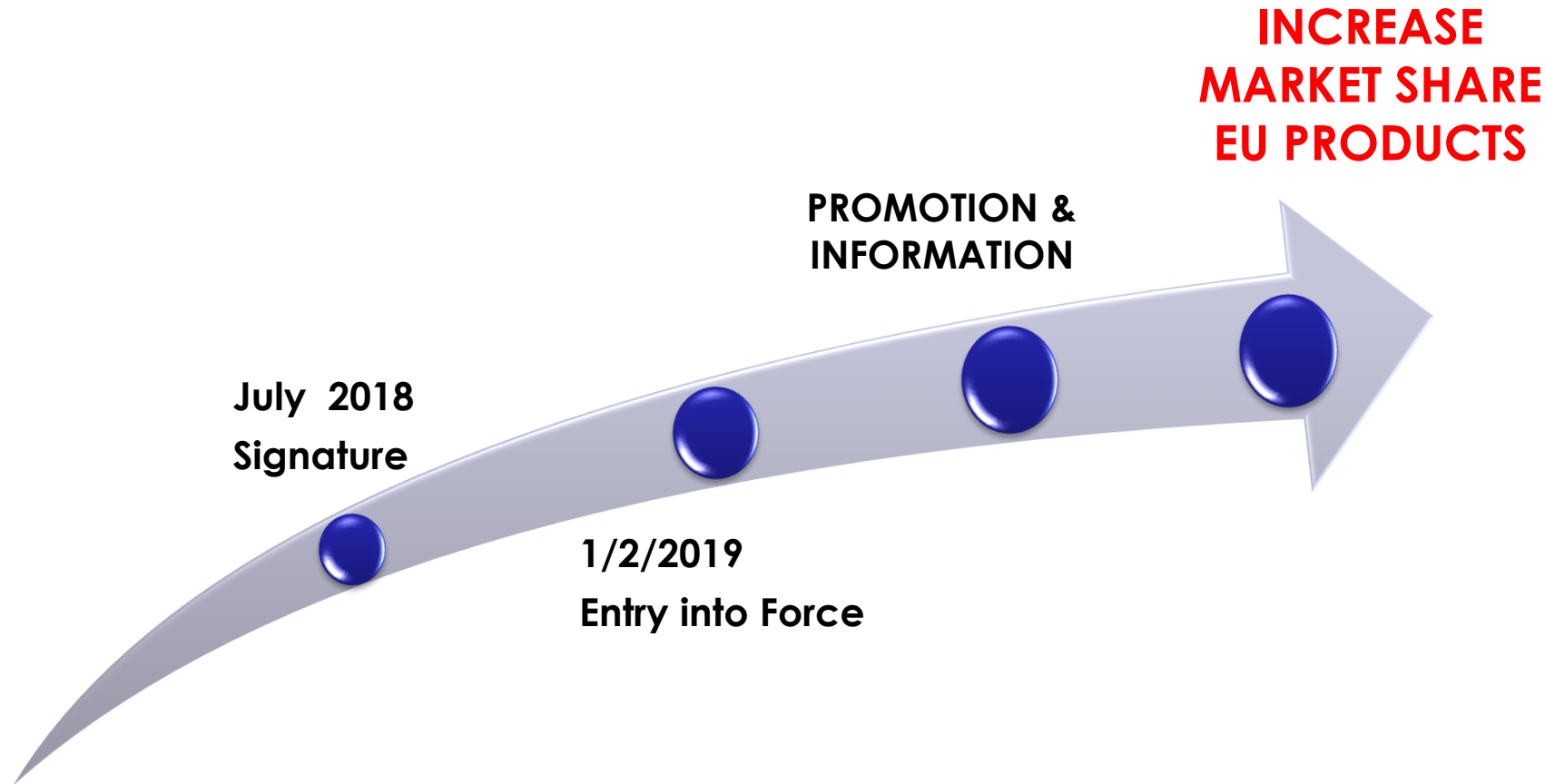
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OVERVIEW

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

A few highlights of what 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 |

MARKET ACCESS CHEESES

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

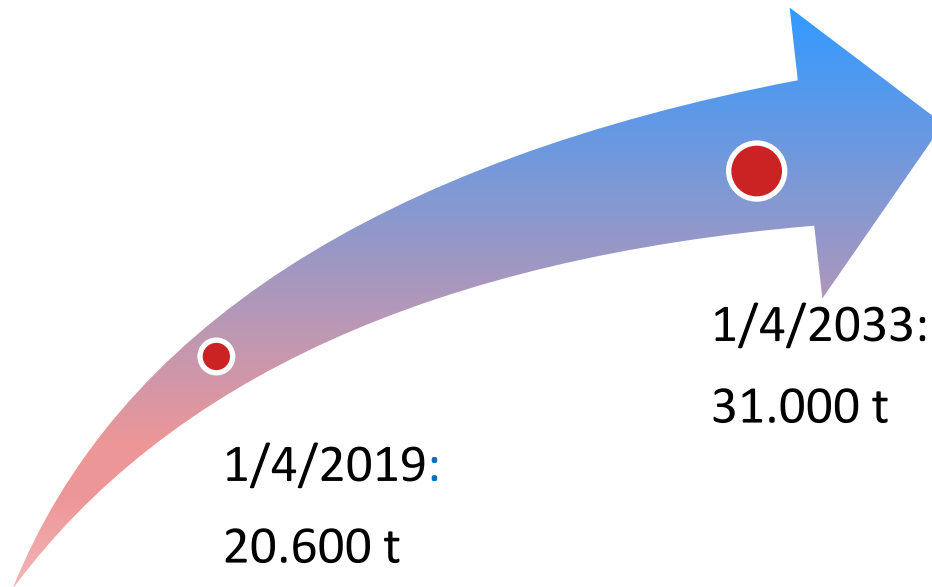
Examples:
leading EU cheeses:
cheddar, gouda,

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

CHEESES

TRQ for fresh, soft and processed cheeses

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

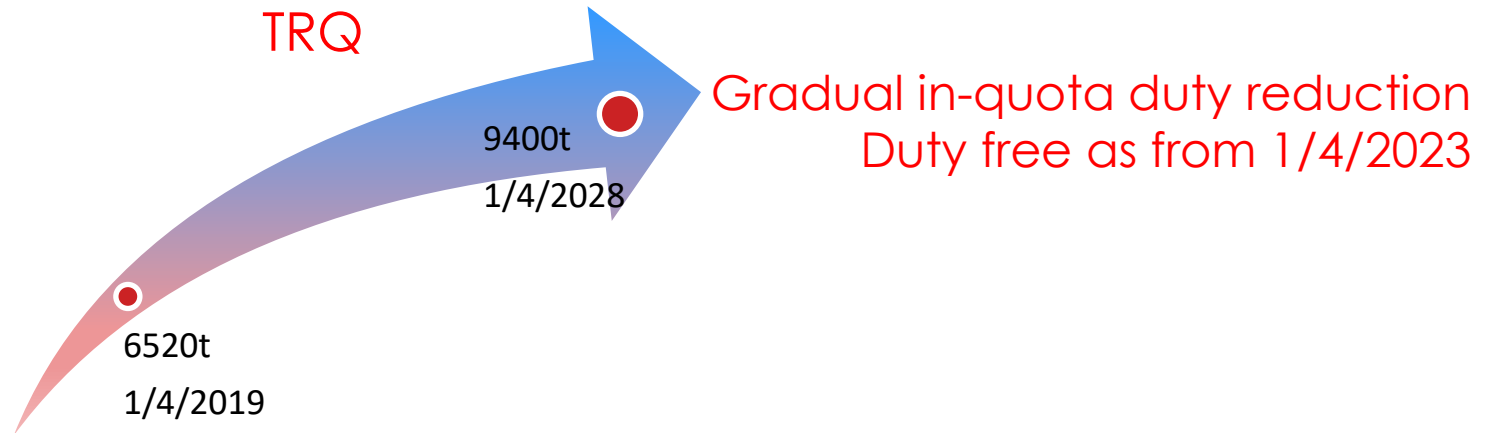


**Continued growth based on
cheese consumption
growth in Japan**

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:



- 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.

Safeguard Measure for whey protein concentrate and whey powder

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

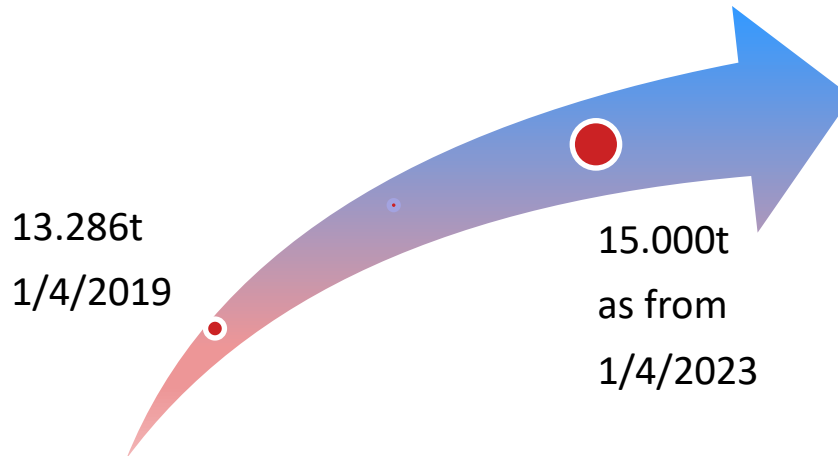
- Whey powder
 - trigger: 2300t to 5190t on 1/4/2032; to increase indefinitely by 458t/yr.

- 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



specific duties
eliminated as from
1/4/2028
ad valorem duties
remain

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

GEOGRAPHICAL INDICATIONS

Full protection for more than 220 EU GIs, among which more than 20 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.

Overall import conditions in Japan:

- European Commission DG TRADE: “Access2Markets Database”:

<https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users>

- Japan’s Customs:

http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm

- European Commission DG AGRI “Food and Beverage Handbook – Japan”:

<https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan>

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>

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



Fiches per sectors and webinars on EPA outcome

- Wines and Spirits
- Geographical Indications
- Dairy Products
- Meat Products
- Processed Agricultural Products
- and many others ...

Thank you for your attention

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QUESTIONS ?

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