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# Minister of International Trade supports small and medium-sized enterprises with new quotas for EU cheese

### **News Release**

#### From Global Affairs Canada

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As part of its progressive trade agenda, the Government of Canada is working to ensure that the benefits of trade are delivered to middle-class workers, families, farmers and businesses of all sizes and in all regions across Canada. As of September 21st, Canadians will benefit from the Canada-EU Comprehensive Economic and Trade Agreement (CETA), the most progressive trade agreement ever negotiated by Canada and the European Union.

After broad consultations, the Honourable François-Philippe Champagne, Minister of International Trade, today announced the allocation of the new tariff rate quotas (TRQs) for imports of cheese from the EU under the Canada-EU Comprehensive Economic and Trade Agreement (CETA). Importantly, Canadian companies that previously did not have permits to import cheese will now be able to apply for a share of the new CETA import quotas.

These quotas will provide new opportunities for Canadian businesses in the cheese sector, particularly small and medium-sized enterprises (SMEs), which will be allocated 60% of the quotas with small and medium sized cheese manufacturers receiving 30% of the quota and small and medium-sized distributers and retailers receiving the other 30% of the quota. Large manufacturers will be allocated 20% of the quotas and large distributors and retailers will receive the other 20% of the quotas. With respect to the distribution of quotas between the manufacturers and the distributors and retailers, the split will be 50/50.

Canadian consumers will also benefit as new varieties of European cheese will be made available for consumption in Canada. Canadian companies of all sizes will benefit from new opportunities to import EU cheese, growing their businesses in the process.

|                              | Manufacturers | Distributors & Retailers | Total |
|------------------------------|---------------|--------------------------|-------|
| Small and Medium Enterprises | 30%           | 30%                      | 60%   |
| Large Enterprises            | 20%           | 20%                      | 40%   |
| Total                        | 50%           | 50%                      | 100%  |

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# **Quotes**

"We are on track for the provisional application of CETA on September 21. I am confident that we have set the stage for exciting opportunities for Canadians in the cheese sector, particularly for our small and medium-sized enterprises. We held extensive consultations with a wide range of stakeholders about the best way to allocate the EU cheese quotas under CETA. These allocations will ensure benefits are achieved throughout the value chain."

- François-Philippe Champagne, Minister of International Trade

"The government strongly supports supply management, which ensures a strong dairy sector here in Canada. We will continue working with the sector as it progresses toward innovative growth to create an even stronger and more competitive dairy industry."

- Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food

# **Quick Facts**

- Prime Minister Justin Trudeau and President of the European Commission Jean-Claude Juncker agreed to a provisional application date of CETA of September 21, 2017.
- The Canadian implementing legislation for CETA, Bill C-30, was granted royal assent on May 16, 2017.
- Under CETA, Canada established new TRQs for cheese originating in the European Union: one for cheeses of all types and one for use in further food processing (industrial cheese).
- Each of the two CETA quotas will be phased in over five years.
- The quota for all types of cheese will be allocated to eligible Canadian enterprises that are active in the manufacturing, distribution or retailing of cheese.
- The quota for industrial cheese will be allocated entirely to processors for use in other foods (further processing).
- European cheese makers will also be able to develop partnerships with Canadian companies so that businesses on both sides of the Atlantic can take advantage of the benefits of CETA.
- It is the first time since the 1970s that new cheese quotas are being allocated. The EU allocation is broadly consistent with the current allocation of the World Trade Organization cheese quota.

### **Related Products**

 Backgrounder - Canada's new tariff rate quotas for cheese imports from the European Union

## **Associated Links**

- Notice to Importers No. 895 CETA Cheeses of all types (Items 141 to 157 on the Import Control List)
- Notice to Importers No. 896 CETA Industrial Cheese (Items 141 to 157 on the Import Control List)
- Opening of the application period for the new Comprehensive Economic and Trade Agreement (CETA) tariff rate quotas (TRQ) for cheese
- Frequently Asked Questions CETA Cheese Tariff Rate Quotas
- <u>Joint Statement by the Prime Minister and the President of the European Commission on reaching a date for the provisional application of the Comprehensive Economic and Trade Agreement</u>
- Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

# **Contacts**

Media Relations Office Global Affairs Canada 343-203-7700 media@international.gc.ca

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