

CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT





QUICK FACTS

With CETA's provisional application, almost 94% of the EU agricultural tariff lines are now duty-free, including tariff lines for Canadian pet food products.

Canadian exports of pet food products to the EU: CDN \$110.9million (2016)*

*Source: CatsNet



Opportunities and Benefits of CETA for **CANADIAN PET FOOD EXPORTERS**

As of September 21, 2017 – the Comprehensive Economic and Trade Agreement (CETA) date of provisional application — the elimination of European Union (EU) tariffs will help Canadian pet food producers, processors and exporters to be more competitive in the EU. Some Canadian pet foods were subject to tariffs as high as 948 euros/tonne. Previously, approximately 18% of EU agriculture tariff lines were duty-free.

Classifying a Product

To determine whether your product qualifies for preferential duty-free access now that CETA is provisionally applied, you can seek an advanced ruling through the EU's Binding Tariff Information (BTI) system, which provides Canadian exporters with the opportunity to obtain a binding, written ruling concerning the tariff classification of their products prior to export.

This provides exporters with assurance regarding the tariff classification that their products will receive, as well as further guidance and information regarding the rule of origin that the products must satisfy in order to benefit from preferential tariff treatment under CETA.

Rules of Origin

Under CETA, only those products that undergo sufficient production in Canada or the EU are considered to be originating products and therefore eligible for preferential tariff treatment. Canadian pet food products produced from inputs that are wholly obtained (i.e. grown and harvested) in Canada or the EU are considered originating and will benefit from preferential treatment.

Pet food products that are produced from non-originating (i.e. imported) inputs must satisfy the applicable product-specific rule of origin (CETA, Annex 5 of the Rules of Origin <u>Procedures Protocol</u>) in order to be considered originating. Canadian exporters can seek an EU Binding Origin Information (BOI) advance ruling on whether a product qualifies as originating under CETA. These rulings are binding on customs authorities in all EU Member States.







Origin Quota

For Canadian producers of products that contain non-originating materials in amounts that exceed the prescribed thresholds, CETA sets out a volume-limited Origin Quota which provides for more liberal alternative rules of origin. An Origin Quota applies to dog and cat food classified under Harmonized System codes 2309.10 (dog/cat food, put up for retail sale) and 2309.90 (dog/cat food, not put up for retail sale). This Origin Quota under CETA allows for up to 60,000 tonnes (net weight) of dog and cat food to be exported duty-free from Canada to the EU using the alternate product-specific rules of origin (Annex 5A: Table A.4 of the Rules of Origin Procedures Protocol).

For more information, please visit: <u>Global Affairs Canada Notice to Exporters webpage</u>.

Exporting to the EU

The Canadian Food Inspection Agency (CFIA) provides verification and certification services for pet foods that are made in Canada and intended for export. Pet foods exported from Canada to the EU need to have an official zoosanitary health certificate, which is issued by the CFIA. The completed certificate confirms that the sanitary requirements of the importing country have been met.

The CFIA negotiates import conditions with the importing country's veterinary officials. It also conducts inspections of Canadian export manufacturing establishments. It does this to verify that the products, manufacturing facilities, and practices meet the importing country's market access requirements. Contact your local <u>CFIA office</u> or visit CFIA's website to learn more about what is required in order to <u>export pet food to the EU</u>.

In addition, specific EU requirements may apply (e.g., labelling, packaging, additives allowed) so make sure you are aware of them. For example, if the pet food contains ingredients that are genetically modified (GM), the GM trait must be authorized in the EU and the product labelled accordingly. Check the EU's <u>GMO database</u> for EU authorizations and information on <u>GM labelling</u>. The EU has a zero-tolerance approach to trace amounts of unapproved GM material in imported food but will allow up to 0.1 percent in animal feed.

Learn more about CETA, doing business in Europe and other requirements that may apply, at: www.international.gc.ca/ceta and www.agr.gc.ca/business-europe

GET HELP NAVIGATING THE MARKET.

Contact a Trade Commissioner in your export market: www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp or the Market Access Secretariat: MAS-SAM@agr.gc.ca

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