CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT

QUICK FACTS

When CETA enters into force, almost 94% of the EU agricultural tariff lines will be duty-free, including tariff lines for Canadian pet food products.

Canadian exports of pet food products to the EU: CDN \$95.2 million (2015)*

*Source: CatsNet

Enhanced Opportunities in the European Union for CANADIAN PET FOOD PRODUCTS

Approximately 18% of European Union (EU) agriculture tariff lines are currently duty-free. Some Canadian pet foods are subject to tariffs as high as 948 euros/tonne. The elimination of EU tariffs will help Canadian pet food producers, processors and exporters to be more competitive in the EU.

Rules of Origin

Under the Comprehensive Economic and Trade Agreement (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 productspecific rule of origin (CETA, Annex 5 of the Rules of Origin Procedures Protocol) in order to be considered originating.

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). Additional details will be available prior to CETA's entry into force.



Agriculture et Agroalimentaire Canada culture and Food Cana

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Classifying a Product

To determine whether your product qualifies for preferential duty-free access once CETA enters into force, you can seek an advanced ruling through the EU's <u>Binding Tariff</u> <u>Information (BTI) system</u>, 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.

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 <u>CFIA's website</u> to learn more about what is required in order to export pet food to the EU.

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: <u>www.international.gc.ca/ceta</u> and <u>www.agr.gc.ca/europe</u>

GET HELP NAVIGATING THE MARKET.

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

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