

Little uptake of EU pig meat quotas

There are a large number of EU pig meat quotas but uptake by supplying countries is very low. This is unlike the other meat sectors where many of the quotas that apply are more heavily utilised by traders. Interest in EU quotas and how they might be allocated has increased as a result of Brexit. This article summarises the pig meat quotas and the extent to which they are currently utilised. It also covers the overall level of EU and UK imports from the global market in recent years.

Information on quotas comes from the European Commission, with the regulations published in the Official Journal and quota utilisation from different websites. The various sources can make it difficult to obtain a complete picture. Most quotas were incorporated into the Uruguay Round of GATT, now the WTO, but some quotas have been agreed subsequently. They come under different order numbers and AHDB analysis indicates that they amounted to just over 135,000 tonnes in the last full year. They are mostly July 2015 to June 2016, although some are allocated on a calendar year basis. Unlike sheep meat in particular, where zero tariffs are applicable, import duties still apply to most of the pig meat quotas. The only ones where they do not apply is order 09.0119 defined as "Pig meat, fresh, chilled or frozen", the two Ukraine-specific quotas and one for Chile. Otherwise tariffs for fresh, chilled and frozen pork range from €233 to €434 per tonne with generally higher tariffs for processed products.

EU pig meat quotas and usage in July 2015 to July 2016

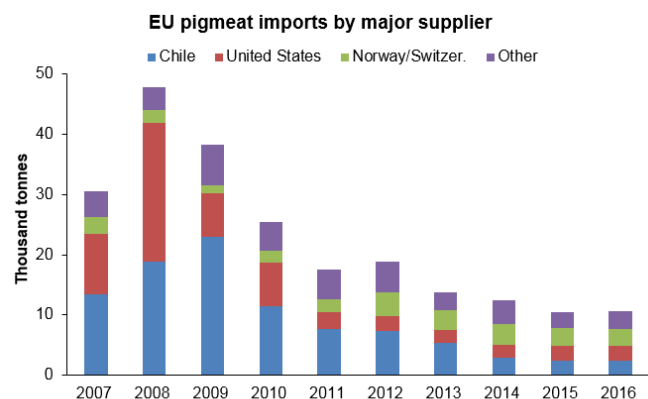
Order number	Product description	Annual quota* tonnes prod. wt	Quota utilised	Proportion utilised (%)
Fresh, chilled, frozen pork				
09.0118	Tenderloin	5,000	3	0
09.0119	Pigmeat	7,000	4	0
09.0122	Carcases, half carcasses	15,067	0	0
09.0123	Bone-in, boneless cuts	6,135	286	5
09.4038	Boned loins and hams	35,265	935	3
09.4170	Boned loins and hams from USA	4,922	0	0
09.4204	Cuts from Canada	4,624	0	0
09.1921	Pig meat (inc. processed) from Chile	8,050	2,254	28
09.4271	Pork from Ukraine	20,000	0	0
09.4272	Cuts (exc. hams, loins, boneless) from Ukraine	20,000	0	0
Processed				
09.0120	Sausages	3,002	590	20
09.0121	Other prepared or preserved	6,161	17	0
TOTAL		135,226	4,089	3

* Figures in red are for calendar year 2016
Source: AHDB; EU Commission.

Of the various quotas only the Chilean quota and the one for sausages are used to any significant degree and even for these the uptake is less than 30%. Other quotas are not utilised at all or only marginally so, including all the largest quotas, such as the 40,000 tonnes for Ukraine and the 35,265 tonnes for boned loins and hams. The quotas specific to the United States and Canada are also not utilised. The fact that the quotas are hardly utilised at present has not always been the case. For example, the one for boned loins and hams had been more heavily used until 2010 although for the majority uptake has remained low historically as well. It should be noted that

following the [EU-Canada Free Trade Agreement](#) (CETA), Canada has been allocated an additional quota of 62,500 tonnes product weight which, in the first year of the transition period, amounts to 10,417 tonnes under zero tariff.

Figures for the EU indicate that pig meat imports (excluding offals) in 2016 amounted to 10,600 tonnes with shipments having fallen steadily since 2008 when they amounted to nearly 48,000 tonnes. Since 2009, Chile has been the largest supplier, but with its shipments declining steadily from 2010 onwards, followed by the United States. Fresh, chilled and frozen pork accounts for about 80% of total EU imports with the ratio of chilled to frozen being 25:75.



Source: IHS Maritime & Trade-Global Trade Atlas®, Eurostat

Of the EU total, the UK imported 1,700 tonnes in 2016, a figure that has hardly changed in the last three years but represents a substantial decline compared with the 10,000 tonnes in 2008. Trade in 2016 was dominated by the United States, which represented over 90% of the total, as was also the case in 2008. Trade mainly consists of chilled boneless cuts plus smaller volumes of sausages. Chile is no longer a significant supplier to the UK and shipments only amounted to 6 tonnes in 2016 compared to a peak of 3,300 tonnes in 2009.

The analysis clearly indicates that, unlike all other meats, imports from the global market are not important on the EU pig meat market. There are a number of reasons for this. The EU does not allow pig meat from pigs produced using ractopamine, which is used extensively in other parts of the world, nor production practices not involving loose housing. Market access can also be an issue for example in the case of Brazil. The attractiveness of the EU market has also tended to diminish, partly as a result of exchange rates, given the weakening of both the euro and sterling especially against the US dollar since the 2008 economic crisis. For the UK, even as a result of Brexit and hence the possibility of FTAs or improved market access for exporting countries, a large upsurge in imports in least in the medium term seems unlikely. However, that is not to say though that the UK pig sector should be complacent in meeting any competitive threats. In the long term changes in production practices, as other exporters such as Canada are now adopting, or access to the UK market could facilitate increased imports from the global market.