



Level 4, 154 Featherston Street
PO Box 121, Wellington 6011, New Zealand
T: 64 4 473 9150
www.nzmeatboard.org

EU Sheepmeat & Goatmeat

Quota Manual

November 2020



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SECTION ONE

INTRODUCTION

- 1 The Quota Allowance Allocation System (“Allocation System”) outlined in this document is a continuation of the Allocation System operated previously by the New Zealand Meat Board (“Board”), as amended on 8 November 2006. This Allocation System, as amended will apply to Quota Allowance applications for the 2021 and subsequent Quota Years, and will operate for the European Union (“EU”) Sheepmeat and Goatmeat Quota Year.
- 2 This Allocation System is implemented by the New Zealand Meat Board pursuant to its powers under the Meat Board Act 2004 (“Act”), in particular Part 3.
- 3 New Zealand negotiated a Tariff Rate Quota (“TRQ”) for the importation of sheepmeat and goatmeat into the EU as part of the Uruguay Round of WTO/GATT negotiations. Under Commission Regulation (EC) No.1439/95 of 26 June 1995 the ability to import sheepmeat and goatmeat into the EU from New Zealand within the terms of the TRQ is made subject to the presentation of a documentation of origin endorsed by the New Zealand Meat Board. This is to ensure that only product originating from New Zealand, and limited to the specified quantities, enters the EU within the terms of New Zealand’s TRQ.
- 4 The Board’s policy for the allocation of EU TRQ is founded upon the principle that TRQ should be equitably allocated to Qualifying Companies and eligible New Entrants to ensure that the New Zealand red meat industry is the recipient of the economic benefits deriving from quota markets.
- 5 In establishing the policy evidenced by this Allocation System, the Board has recognised that:
 - (a) the object of the Board is to facilitate the capture, for New Zealand and in the interests of the meat industry, of the best possible ongoing returns available from quota markets;
 - (b) where authorities in a market have granted access to that market at zero or concessional tariff rates for a particular quantity of meat products imported from New Zealand during any period, the Board must establish and operate a mechanism for the allocation of that quantity; and

- (c) the operation of the allocation mechanism must be likely to maximise the capture for New Zealand of the returns available from the market concerned for the meat products.
- 6 The Board will only issue Certificates of Origin to a company that has General or Reserved Quota Allowance obtained in accordance with this Allocation System.
- 7 The Allocation System is, in essence, divided into four parts:
- (a) First, the General Quota Allowance Allocation System, which governs the allocation of at least 98% of the TRQ. It is based upon Production History over the three completed Production Seasons immediately prior to the commencement of the Quota Year.
- (b) Second, the New Entrant Allowances Allocation System which allows for the allocation of up to 2% of the TRQ to New Entrants (“Reserved Quota Allowance”). (A small portion of the Reserved Quota Allowance is set aside for sample packages.) The New Entrant Allowances Allocation System takes into account the fact that New Entrants do not have a three season Production History. For the first Quota Year, the allocation is based upon estimates provided by New Entrants as to their proposed production, as accepted by the Board. In the second and third Quota Years, it is based upon Production History as well as estimated production. The allocation of Reserved Quota Allowance based on estimated annual production is conditional upon the New Entrant meeting certain criteria and its annual production estimate. The ability to utilise Reserved Quota Allowance will be earned progressively during a Production Season as criteria are met and in proportion to the New Entrant’s actual production. Reserved Quota Allowance can only be transferred where the New Entrant has satisfied all of the conditions on which the Reserved Quota Allowance was allocated.
- (c) Third, the Transitional Arrangement for Market Adjustment (“TAMA”) mechanism, which provides for the Board to retain up to 5,000 tonnes of EU TRQ to redistribute to eligible Qualifying Companies. The TAMA mechanism is a response to a split of the previous EU28 TRQ following the UK leaving the EU on expiry of the transition period [as defined in article 126 of the Agreement on the withdrawal of the United Kingdom from the European Union (19 October 2019) (the “UK Exit”)]. The TAMA mechanism is intended to enable quota holders to transition to a ‘two quota’ system. To be eligible to receive an allocation from the TAMA mechanism, a Qualifying Company’s average annual TRQ exports to the EU over the 2016, 2017 and 2018 Quota Years must be greater than the volume of TRQ allocation it receives under the



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General Quota Allowance Allocation System. Where this is the case, the Qualifying Company will receive an additional allocation to assist in making up this shortfall between the historic trade volume and the TRQ allocation. The TAMA mechanism is transitional and will cease to operate at the end of the 2021 Quota Year.

(d) Fourth, all of the conditions under which Reserved Quota Allowance is allocated.

- 8 New Entrants wanting to obtain access to Quota Allowance will be able to do so by:
- (a) applying to the Board for a portion of Reserved Quota Allowance (and, in respect of its second and third years, General Quota Allowance based upon its Production History); and/or
 - (b) applying to the Board for General Quota Allowance based on Production History earned in relevant prior seasons; and/or
 - (b) acquiring Quota Allowance from an existing quota allowance holder.
- 9 If, in any Quota Year, any portion of the Reserved Quota Allowance is not allocated to or fully utilised by New Entrants the balance will be allocated to Qualifying Companies on the terms set out in this Allocation System.
- 10 This Allocation System provides for different procedures in respect of applications for General Quota Allowance (Section 13) and New Entrant Quota Allowances (Section 14).

*Cross-reference: General Quota Allowance: Procedures; Section 13
New Entrant Allowances Committee; Section 14*

- 11 The Board retains:
- (a) the discretion to apply this Allocation System as it regards appropriate in relation to any circumstances that are not specifically provided for in this system; and
 - (b) the ability to determine the interpretation of the provisions of this document.
- 12 The Board retains the right to suspend all or any of the provisions in this document for any Quota Year when it believes the total TRQ will not be a constraint on the quantity of sheepmeat or goatmeat able to be exported to the EU by the industry as a whole. The decision on whether to suspend the provisions will be made by the Board as soon as practicable in any Quota Year, but no later than six weeks before the end of the Quota Year.



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DEFINITIONS

<i>At Time of Slaughter</i>		means immediately after slaughter floor weighing of a carcass (i.e. immediately after the carcass has crossed the scales).
<i>Company</i>		includes any company or other legal entity or person and where applicable any trust or trustee or beneficiary of a Trust (including discretionary beneficiary) or a consortium under Section 8;
<i>Certificate of Origin</i>		means a Certificate of Origin, issued by the Board in accordance with EU regulations, which records, amongst other things, the New Zealand origin of sheepmeat or goatmeat to be imported into the EU within the provisions of the TRQ.
<i>Eligible Holder</i>	<i>Quota</i>	Means the quota holder under section 4A whose General Quota Allowance is less than its average annual exports to the EU during the 2016-2018 calendar years.
<i>EU Listed Premises</i>		means premises for the slaughter of livestock which have been listed by the EU government's competent authority as eligible for exporting ovine product for human consumption to the EU.
<i>General Quota Allowance</i>		means the proportion of the TRQ available for allocation by the Board after deductions for Reserved Quota Allowance and the TAMA mechanism set out in Section Four A of this document for importing sheepmeat and goatmeat into the EU, and available in the relevant Quota Year. A holder of General Quota Allowance is a company that holds a portion of the General Quota Allowance
<i>General Quota Allowance Allocation Formula</i>		means the formula contained in Section 4, Part A, paragraph 1.
<i>Hot Weight</i>		means the weight of a dressed carcass at the slaughter floor scales prior to any chilling



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New Entrant

means a Company which, during the specified period prior to the applicable New Entry Period, has not been allocated and used (other than in the course of its current New Entrant Period) General or Reserved Quota Allowance (but which may have purchased, General and/or Reserved Quota Allowance).

Such a Company does not qualify as a New Entrant or shall cease to be a New Entrant if:

- a) its structure of ownership is a device by any existing holder of General or Reserved Quota Allowance, or by persons associated with any such holder, to evade the system for the allocation of General Quota Allowance based upon a three season Production History, in that the Company is not a genuinely independent New Entrant; and/or
- b) it has any director or trustee who is a director or trustee of any other holder of General or Reserved Quota Allowance; and/or
- c) within the specified period prior to the Applicable New Entry Period, or at the time it makes its Application or at any time it holds Reserved Quota Allowance:
 - i) any holder of General and/or Reserved Quota Allowance has had or will have any direct or indirect interest in or association with the Company so that the Company is not genuinely independent of any such holder of General and/or Reserved Quota Allowance, and/or
 - ii) it has had or has any shared management, administrative or financial functions between it and any other holder of General or Reserved Quota Allowance; and / or
 - iii). it has had or has any material shareholding in it (including beneficial shareholding) held or owned, directly or indirectly, by any General or Reserved Quota Holder, or for the potential benefit of any General or Reserved Quota holder; and/or
 - iv) any material shareholding (including beneficial shareholding) in a Related Company of the Company has been or is held or owned in aggregate, either directly or indirectly, by any General or Reserved Quota Allowance holder; and/or
 - v) it has held or holds any material shareholding (including beneficial shareholding) in any other General or Reserved Quota holder; and/or



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vii) is a consortium and any member of the consortium would not qualify as a New Entrant under this definition.

For the purposes of this definition –

- (a) “allocated and used” includes a situation where quota has been allocated and transferred, but does not include a situation where quota is allocated but returned to the Board in accordance with Section 10 Part B;
- (b) a “material shareholding” is a shareholding exceeding 5% of the issued shares;
- (c) “Related Company” has the meaning as defined in Section 2(3) of the Companies Act 1993 except that in Section 2(3)(b) and (c) the words “more than half of the issued shares” shall be deleted and “any material shareholding” substituted;
- (d) “beneficial shareholding” is a shareholding held by one company for the benefit, or potential benefit, of another; and
- (e) “specified period” means the immediately preceding 6 full calendar years.

New Entry Period means in relation to a New Entrant, the Quota Year for which a New Entrant is first allocated Reserved Quota Allowance and the two following Quota Years.

New Entrant Allowances Committee means the committee established under Section 14.

New Entrant Allowances Allocation Formula means the formula contained in Section 5, Part A, paragraph 4.

Owner of Qualifying Product at Time of Slaughter means the owner of Qualifying Product immediately after slaughter floor weighing (i.e., immediately after the carcass has crossed the scales).

Ownership for this purpose disregards any reservation of ownership, subject to payment, and disregards any effect on ownership due to a mortgage or charge over the Qualifying Product. The term Qualifying Product Owned at Time of Slaughter has a corresponding meaning.

Participation Fee Includes both fixed and variable participation fees as set out in Section Sixteen, Appendix 3 that may be amended in consultation with quota holders from time to time by the Board. The fixed participation fee is payable with the application for Quota, the variable participation fee is due and payable following the annual allocation process and prior to the commencement of the relevant quota year.



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<i>Product Deployed on the New Zealand Market</i>	Means all Product deployed on the New Zealand Market is treated as Qualifying Product in the calculation of Production History.
<i>Production History</i>	means in respect of a Qualifying Company a figure equal to the amount of Qualifying Product Owned at Time of Slaughter during a full Production Season. That figure will represent the Production History of that Qualifying Company for that Production Season. For clarity, Production History will only begin to be recorded in the first full Production Season following a facility becoming an EU Listed Premise.
<i>Production Season</i>	means a year commencing the nearest Sunday to 1 October, and ending the nearest Saturday to 30 September in the following calendar year
<i>Qualifying Company</i>	means a company which: (a) has been the Owner of Qualifying Product at Time of Slaughter; and (b) is a registered exporter under the Act.
<i>Qualifying Product</i>	means sheepmeat and goatmeat from livestock slaughtered in an EU Listed Premises for ovine/caprine meat as appropriate, measured as dressed carcass hot weight.
<i>Qualifying Product Owned at Time of Slaughter</i>	refer to the definition of Owner of Qualifying Product at Time of Slaughter.
<i>Quota Year</i>	means a year commencing 1 January and ending 31 December.
<i>Reserved Quota Allowance</i>	means the 2% (or less) of the TRQ set aside by the Board under this Allocation System in the relevant Quota Year in accordance with Section 5. A holder of Reserved Quota Allowance is a company that holds a portion of the Reserved Quota Allowance.

Cross-reference: *New Entrant Allowances Committee;*
Section 14, Part D



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Tariff Rate Quota
(“TRQ”)

means the Tariff Rate Quota negotiated between the New Zealand Government and the EU allowing the importation into the EU of specified quantities of sheepmeat and goatmeat at a zero tariff. Imports within the Tariff Rate Quota are also known as “in-quota” imports

Transitional
Arrangement for
Market Adjustment
(“TAMA”)

Means a fund established to enable quota holders that are disadvantaged by the splitting of quota access, due to the exit of United Kingdom from the European Union, to transition. The TAMA will apply only to quota allocations for the 2021 Quota Year (unless amended earlier in consultation with Quota Holders).



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SECTION THREE

September	1	Applications from New Entrants for Reserved Quota Allowance for the following Quota Year close
	10	August Production Reports due.
	30	Production Season closes on the nearest Saturday to 30 September.
October	1	Production Season opens on the nearest Sunday to 1 October. Companies to advise Board if they will use all General and Reserved Quota Allowance allocated to them in the current Quota Year
	10	September (complete season) Production Reports due.
	15	Applications from companies (including Year 2 and Year 3 New Entrants) for General Quota Allowance for the following Quota Year close Transfers of Production History must be confirmed by the Board by this date Board to have advised companies of reallocations of unused quota
	31	Last day for New Entrant plant approvals to be received
November	10	October Production Reports due.
December	10	Board to have advised companies of General and Reserved Quota Allowance Allocations by this date. November Production Reports due.
	20	Transfers of General and Reserved Quota Allowance must be notified to the Board by this date
	31	Quota Year end.
January	1	Quota Year commences.
	10	December Production Reports due.
February	10	January Production Reports due.
March	10	February Production Reports due.
	31	Unallocated Reserved Quota Allowance for the current Quota Year to be allocated to General Quota Allowance holders Quota Allowances held for Reserved Quota Allowance holders that have not produced Qualifying Product revert to the Board for reallocation.
April	10	March Production Reports due.
May	10	April Production Reports due.
June	10	May Production Reports due.
July	10	May Production Reports due.
August	10	July Production Reports due.

*Cross-reference: Transfers and Unused Quota Allowance; Section 10
Forms; Section 17*

GENERAL QUOTA ALLOWANCE ALLOCATION SYSTEM

A Qualifying Company wanting to obtain access to quota allowance will be able to do so by:

- (a) applying to the Board for a portion of the General Quota Allowance based upon its Production History; and/or
- (b) acquiring quota allowance from an existing quota allowance holder.

Basis of General Quota Allowance Allocation System

1 General Quota Allowance will be allocated for a Quota Year to an applicant Qualifying Company in accordance with the following General Quota Allowance Allocation Formula:

$$PGQ = \frac{(PH_{i-3} + PH_{i-2} + PH_{i-1})}{(TPH_{i-3} + TPH_{i-2} + TPH_{i-1})} \times GQ$$

where:

PGQ = the portion of the General Quota Allowance (in tonnes) to be allocated to the Qualifying Company in the relevant Quota Year.

GQ = General Quota Allowance, less any amount deducted for TAMA under Section Four A.

PH = a Qualifying Company's Production History for a Production Season.

TPH = the sum of the Production Histories for a Production Season of all applicants in the relevant Quota Year.

i = the Production Season commencing in the year prior to the relevant Quota Year

i-1 = the Production Season before i.

i-2 = the Production Season before i-1.

i-3 = the Production Season before i-2.

2 All measurement of Qualifying Product shall be made in accordance with the production weight calculation provisions referred to in Section 9.



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SECTION FOUR

- 3 If at any time there is an interruption to the importation into the EU of Sheepmeat or Goatmeat from New Zealand which prevents the utilisation of any portion of the General Quota Allowance as contemplated, the Board may in subsequent Quota Years, apply the General Quota Allowance Allocation Formula with such modification as is necessary to take into account the interruption, as in the opinion of the Board, best meets the intentions of that formula.
- 4 When allocating General Quota Allowance, the Board must take into account the applicant's existing investment and committed future investment in the following activities relating to meat product under the Act for export:
 - (a) distribution;
 - (b) marketing;
 - (c) packaging;
 - (d) processing.

Primary significance will be given to existing and committed future investment in marketing and processing.

- 5 Where an applicant has no recorded Production History, and is not accepted as a New Entrant, its application will be taken as an application to record Production History preliminary to an application for Quota Allowance as a first year New Entrant in a subsequent year.

Cross-reference: General Quota Allowance: Procedures; Section 4 A; Section 13 Forms 5 and 6, Section 17

TRANSITIONAL ARRANGEMENT FOR MARKET ADJUSTMENT

- 1 During 2019, the EU and the UK decided to split New Zealand's Sheepmeat and Goatmeat quota entitlement to the former EU28 between themselves as part of arrangements for the UK exiting the EU28. To enable quota holders that are disadvantaged by this splitting of access to transition, the Board has introduced a Transitional Arrangement for Market Adjustment (TAMA). The TAMA would initially have applied for the 2019, 2020 and 2021 Quota Years to allow a period of orderly readjustment. Due to delays to the UK's full exit from the EU, the TAMA will only apply for the 2021 Quota Year.
- 2 Under TAMA, the Board will retain up to 5,000 tonnes of quota from the General Quota Allocation pool to distribute as follows:
 - a. The Board will calculate the average annual exports of each Quota Holder to the EU under the TRQ in the 2016, 2017, and 2018 Quota Years.
 - b. To differentiate between product exported to the EU and the UK, the Board will use intended destination as declared on COOs.
 - c. Where a Quota Holder's General Quota Allocation is less than its average annual exports to the EU as determined under (a) and (b) above, the Board will provide that Quota Holder with additional quota access from the TAMA fund. That Quota Holder becomes an 'Eligible Quota Holder' for the purposes of this Section Four A.
 - d. Subject to (e) below the amount of additional access will be the difference between the Eligible Quota Holder's annual exports to the EU as determined under a. and b. above, and the Quota Holder's General Quota Allocation for the relevant Quota Year.
 - e. Should the total of all Eligible Quota Holder's entitlements under the TAMA fund be greater than the size of the TAMA fund in a given Quota Year, allocations from the TAMA fund will be pro-rated between Eligible Quota Holders, on the basis of their entitlement under (d) above, to keep within the size of the fund.
 - f. Where the TAMA fund is greater than the amount needed to provide for all Eligible Quota Holders under (d) above, the Board will redistribute the remainder among all Quota Holders that are not Eligible Quota Holders. Redistribution of surplus TAMA fund will be pro-rated on the basis of General Quota Allowance allocations for the relevant Quota Year

The Board reserves the right to suspend the TAMA mechanism where the Board considers that the TAMA fund no longer meets the Board's object, as defined in Section 7 of the Meat Board Act 2004.

NEW ENTRANT ALLOWANCES ALLOCATION SYSTEM

A New Entrant wanting to obtain access to quota allowance will be able to do so by:

- (a) applying to the Board for a portion of Reserved Quota Allowance (and, in respect of its second and third years, General Quota Allowance based upon its Production History); and/or
- (b) applying to the Board for General Quota Allowance based on Production History earned in relevant prior seasons; and/or
- (c) acquiring quota allowance from an existing quota allowance holder.

The New Entrant Allowances Allocation System takes into account the fact that New Entrants do not have a three season Production History. For the first Quota Year the allocation is based upon estimates provided by New Entrants as to their proposed production, as accepted by the Board. In the second and third Quota Years it is based upon Production History as well as estimated production. The allocation of Reserved Quota Allowance based on estimated annual production is conditional upon the New Entrant meeting certain criteria and its annual production estimate. The ability to utilise Reserved Quota Allowance will be earned progressively during a Production Season as criteria are met and in proportion to the New Entrant's actual production. If the amount of Reserved Quota Allowance is insufficient to meet the proposed allocation by the Board, the amount to be allocated to each New Entrant will be abated pro-rata.

A Company is allowed to reapply as a first year New Entrant in the following year if it has returned all of its conditional Reserved Quota Allowance to the Board in good time.

A Basis of New Entrant Allowances Allocation System

- 1 The Board shall reserve up to 2% of the TRQ as Reserved Quota Allowance for possible allocation to New Entrants, and for samples under Part B below.
- 2 The procedure for applying for Reserved Quota Allowance is set out in Section 14, Part C.
- 3 The Board may allocate Reserved Quota Allowance to a New Entrant if the Board is satisfied that the applicant:
 - (a) is a New Entrant both at the time of application and will continue to be at all times during the applicable New Entry Period;
 - (b) is the holder of an export registration certificate at the time of application;

- (c) has an existing investment and a committed future investment in at least two of the following activities relating to meat products for export provided however that primary significance will be given to investments in (ii) and (iv):
 - (i) distribution;
 - (ii) marketing;
 - (iii) packaging;
 - (iv) processing.
- (d) has supplied to the Board all information that has been requested by the Board and is necessary to enable this Allocation System to operate effectively;
- (e) has the ability to process, or has processed, as the Owner of Qualifying Product at Time of Slaughter, and to sell the volume of Qualifying Product on which the allocation of Reserved Quota Allowance is based;
- (f) has confirmed that any processing plant included in an application is EU Listed Premises. Unless written confirmation is able to be provided from NZFSA by 31 October in the year prior to the Quota Year for which application is being made, the application will be declined;
- (g) has provided, where the processing is to be carried out pursuant to a toll processing arrangement (or arrangements), a mutually binding contract that provides for an allocation of space by the toll processor/s sufficient to process the applicant's production estimate for that year;
- (h) has provided, where export marketing is to be carried out by another party or parties, a mutually binding marketing agreement (or agreements) covering that Quota Year;
- (i) has a three year business plan accepted by the Board (including details of full time staff and the functions of that staff). This business plan can be amended during the course of the New Entry Period, including by variation in marketing or toll processing agreements. The new plan will be accepted by the Board provided that, had it been the plan originally filed, the Company's application would have been granted by the Board on the same terms;
- (j) has complied with conditions as to previous allocations of Reserved Quota Allowance during the New Entry Period;

- (k) has not incurred a penalty under section 34 of the Act or any penalty provision of any replacement legislation;

*Cross-reference: Definitions “New Entrant” and “New Entry Period”; Section 2.
New Entrant Allowances Committee; Section 14, Parts C and D.*

- 4 The maximum amount of Reserved Quota Allowance and General Quota Allowance that the Board may allocate to a New Entrant during each of the three years of the New Entry Period shall be calculated in accordance with the following New Entrant Allowances Allocation Formula:

for the first year:

$$PRQ = \frac{EP_i}{(TPH_{i-3} + TPH_{i-2} + TPH_{i-1}) / 3} \times GQ - PGQ$$

for the second year:

$$PRQ = \frac{(PH_{i-1} + EP_i) / 2}{(TPH_{i-3} + TPH_{i-2} + TPH_{i-1}) / 3} \times GQ - PGQ$$

for the third year:

$$PRQ = \frac{(PH_{i-2} + PH_{i-1} + EP_i) / 3}{(TPH_{i-3} + TPH_{i-2} + TPH_{i-1}) / 3} \times GQ - PGQ$$

where:

PRQ = the portion of Reserved Quota Allowance (in tonnes) to be allocated to the New Entrant for the relevant Quota Year

GQ = General Quota Allowance, less any amount deducted for TAMA under Section Four A.

PGQ = the portion of the General Quota Allowance (in tonnes) to be allocated to the applicant in the relevant Quota Year. (This portion will be allocated in accordance with the General Quota Allowance Allocation Formula and will be overseen by the New Entrant Allowances Committee as set out in Section 14, Part A).

EP = the applicant's estimate (as accepted by the Board) of its Qualifying Product Owned at Time of Slaughter during the Production Season commencing in the year prior to the relevant Quota Year

PH = the applicant's Production History for a Production Season

TPH = the sum of all the Production Histories for the Production Season of all the applicants in the relevant Quota Year.

i = the Production Season commencing in the year prior to the relevant Quota Year.

i-1 = the Production Season before i.

i-2 = the Production Season before i-1.

i-3 = the Production Season before i-2.

- 5 All measurement of Qualifying Product shall be made in accordance with the production weight calculation provisions in Section 9.
- 6 If at any time there is an interruption to the importation into the EU of sheepmeat or goatmeat from New Zealand which prevents the utilisation of any portion of the Reserved Quota Allowance as contemplated, the Board may in subsequent Quota Years, apply the New Entrant Allowances Allocation Formula with such modification as is necessary to take into account the interruption, as in the opinion of the Board, best meets the intentions of that formula.
- 7 If in the opinion of the Board, the applicant's structure or ownership is a device by existing holders of General or Reserved Quota Allowance, or by persons associated with such holders, to evade the system for the allocation of General Quota Allowance based upon a three season Production History, the Board will be entitled to refuse to allocate Reserved Quota Allowance to that applicant in order to take into account the direct or indirect interests in the applicant of existing holders of General Quota Allowance.
- 8 If the amount of Reserved Quota Allowance is insufficient to meet the proposed allocation by the Board of Reserved Quota Allowance to New Entrants, and for samples, the amount to be allocated shall be abated pro-rata between the New Entrants that hold Reserved Quota



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SECTION FIVE

Allowance. Any allocated Reserved Quota Allowance not utilised by New Entrants, or which the Board believes will not be utilised due to qualifying production estimates by a New Entrant not being reached within the estimated time, may be allocated to those New Entrants whose Reserved Quota Allowances have been abated.

*Cross-reference: New Entrant Allowances Committee; Section 14, Part D
Form 8; Section 17
Transfers and Unused Quota Allowance, Section 10; Parts A and B*

B Samples

- 1 The Board will set aside five tonnes of Reserved Quota Allowance for each Quota Year which may at the discretion of the Board be utilised by any Qualifying Company or New Entrant for the exportation of sample sheepmeat or goatmeat packages to the EU, where the sample will be provided for the purpose of seeking to establish a new or improved product, or market niche, not provided by existing exporters.
- 2 The Board has an absolute discretion as to whether any particular packages may be sample packages for which Reserved Quota Allowance under paragraph 1 above may be used.
- 3 Any Reserved Quota Allowance set aside for samples not utilised or reserved for use by 1 October shall be allocated in accordance with Section 10, Part B, paragraph 1.

Refer to: Meat Board Act 2004, Section 51



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SECTION SIX

INDUSTRY AGREED DISCIPLINES

- 1 All holders of General or Reserved Quota Allowance will be subject to Industry Agreed Disciplines relating to the EU.
- 2 An Industry Agreed Discipline made under this Allocation System is a discipline agreed to in writing by holders of 70% or more of General Quota Allowance and agreed to by the Board.
- 3 All current Industry Agreed Disciplines will be recorded in Appendix One.
- 4 The Board may only establish an Industry Agreed Discipline in order to ensure that the conduct of the trade in sheepmeat and goatmeat from New Zealand to the EU is, in the opinion of the Board, helping to facilitate the capture, for New Zealand and in the interests of the meat industry, the best possible ongoing returns available from quota markets.
- 5 The Board will provide to all General and Reserved Quota Allowance holders, a notice to be included in Appendix One where an Industry Agreed Discipline has been established in accordance with paragraph 2 above. The notice will outline the Industry Agreed Discipline and date of implementation.
- 6 Industry Agreed Disciplines shall not prevent the Board from taking steps necessary to ensure the effective access of sheepmeat and goatmeat from New Zealand into the EU.

*Cross-reference: Notices; Section 11, Part C
Amendment of System: Consultation Process; Section 15
Industry Agreed Disciplines; Section 16, Appendix One*



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SECTION SEVEN

ADMINISTRATION OF GENERAL AND RESERVED QUOTA ALLOWANCE ALLOCATIONS

A Provision of information

- 1 A company holding General or Reserved Quota Allowance, or a Company without Production History that intends making an application for General Quota for the following Quota Year, will be required to submit to the Board, on a monthly basis or as otherwise requested by the Board, information necessary to enable this Allocation System to operate effectively. Such information will include details as to:
 - (a) the quantity of its actual production of Qualifying Product; and
 - (b) the quantity of estimated production of Qualifying Product for the remainder of the Production Season.
- 2 The information is to be provided in the manner set out in Section 17, Form 2.
- 3 This information will be monitored on an ongoing basis by the Board.
- 4 The Board may require that any information provided to it be verified by such reasonable means as the Board sees fit.
- 5 The information referred to in paragraphs 1 - 4 above must also be provided to the Board in a year in which it is determined that allocations of General or Reserved Quota Allowance will be suspended because the TRQ is unlikely to be filled, on the basis that the information will be needed by the Board for calculation of the allocation of General or Reserved Quota Allowances in subsequent years.
- 6 The onus shall be on each company to:
 - (a) ensure that all information provided by it to the Board is correct and accurate; and
 - (b) correct any inaccurate information it has already provided to the Board.

Cross-reference: General Provisions; Section 11, Part A

B Statutory Declarations

The Board may at any time request that a company provide to it a statutory declaration regarding any relevant information which the Board may require as necessary to enable the Allocation System to operate effectively.

C Board appointed auditor

- 1 Audits of information supplied to the Board for the purpose of seeking General or Reserved Quota Allowance allocation will be undertaken, as the Board sees fit, by an auditor appointed by the Board; that auditor may be the company's external auditor under the Financial Reporting Act 1993.
- 2 The costs of the auditor are to be paid by the company seeking General or Reserved Quota Allowance in the manner determined by the Board from time to time.

D Co-operation with auditing process

- 1 The owner of Qualifying Product at Time of Slaughter will be required to co-operate with any Board appointed auditor, and shall give such an auditor full access to the Company's relevant records.
- 2 Visits by auditors to head offices, branches and plants may take place at any time.

E Report from company's auditor

A holder of, or claimant to, General or Reserved Quota Allowance may be required by the Board to instruct the company's external auditor to receive audit instructions from the Board, to verify all claims and declarations relevant to Quota Allowance allocations. The costs of the external auditor are to be paid by the company.

CONSORTIA

- 1 Where two or more companies together can meet the requirements qualifying them to be allocated General and/or Reserved Quota Allowance (such as by one company holding an export registration certificate and another company being the Owner of Qualifying Product at Time of Slaughter) the companies will be entitled to apply for General and/or Reserved Quota Allowance as a consortium by combining their respective attributes.
- 2 The Board shall treat the consortium as one company for the purpose of calculating the allocation of General or Reserved Quota Allowance. Quota allowance will be allocated to a member of the consortium which is a holder of an export registration certificate issued under the Act. That company will hold that allocation of General or Reserved Quota Allowance on behalf of the consortium.
- 3 Companies applying to the Board for General and/or Reserved Quota Allowance as a consortium shall supply to the Board all information necessary to enable the Allocation System to operate effectively including:
 - (a) the name of each company comprising the consortium; and
 - (b) notice as to which of them if any (and, if applicable, in what proportions) the existing General and/or Reserved Quota Allowance and the Production History of the consortium are to be allocated upon the consortium ceasing to qualify to be allocated General and/or Reserved Quota Allowance as a consortium under this Section. Such allocation will only be made to a member company if at the time of the allocation it is a Qualifying Company, or a member of another consortium under this Section.
- 4 Upon any company which is a member of a consortium notifying the Board in writing that the consortium has come to an end, the Board shall:
 - (a) notify the other members of the consortium of its receipt of the notice; and
 - (b) not earlier than 14 days after receipt of the notice, transfer the allocated General or Reserved Quota Allowance and any Production History in accordance with the notice regarding allocation referred to in paragraph 3(b) above.

- 5 The companies forming a consortium may, by notice in writing given by all of the consortium companies, vary the provisions of the notice regarding allocation referred to in paragraph 3(b) above, or vary the particulars of the consortium.
- 6 Where after receiving a notice of dissolution of a consortium under paragraph 4 above, the Board is not able to implement the dissolution arrangements referred to in paragraph 3(b) for any reason, it shall notify the members of the consortium of the inability to implement the dissolution arrangements and:
 - (a) the Board will allocate any unutilised General or Reserved Quota Allowance in accordance with Section 10, Part B, paragraph 1 if the members of the consortium have not, by 1 October of the applicable Quota Year, unanimously advised the Board of the Qualifying Company to which the relevant quota allowance held on behalf of the consortium is to be transferred; and
 - (b) the Board will hold the benefit of the Production History of the consortium until the members of the consortium advise the Board in writing of a company to which the Production History may be transferred in accordance with Section 10, Part C. The Board is not entitled to transfer Production History under this provision without all members of the consortium having notified the Board in writing as to their agreed arrangement for the transfer. In the event parties have not notified the Board by 15 October, or such other later date as the Board allows, the consortium's Production History will be cancelled and no longer form part of TPH as defined in Sections 4 and 5.
- 7 The provisions of this Allocation System shall apply, with any necessary modifications, to all members of the consortium as if the members together comprise one company. Any information to be provided by the consortium (as if it were one company) shall be provided accordingly, but shall also record the member of the consortium to which the information relates.
- 8 The Board may require any member of the consortium to provide such additional information as the Board believes is necessary to administer this Allocation System in regard to that consortium or that member.
- 9 Subject to the provisions of Section 10, Part A the holder of General or Reserved Quota Allowance on behalf of a consortium may transfer such Quota Allowances without the other members of the consortium being required to be a party to the transfer.



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- 10** The Production History of a company shall be held by the applicable member company which is the Owner of Qualifying Product at Time of Slaughter. Such Production History may be transferred in accordance with Section 10, Part C by that company without the other members of the consortium being required to be a party to the transfer.

Cross-reference: Transfers and Unused Quota Allowance; Section 10 Forms; Section 17, Form 2, Production Report



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SECTION NINE

PRODUCTION WEIGHT CALCULATION

A Qualifying Product

Qualifying Product is sheepmeat and goatmeat from livestock slaughtered in an EU Listed Premises for ovine/caprine meat as appropriate, measured as bone-in dressed carcass hot weight.

TRANSFERS AND UNUSED QUOTA ALLOWANCE

A Transfer of Quota Allowance

- 1 A holder of an export registration certificate issued under the Act may acquire General Quota Allowance from a holder of General Quota Allowance.
- 2 A holder of an export registration certificate issued under the Act may acquire Reserved Quota Allowance from a New Entrant only where the New Entrant has satisfied, prior to any such acquisition, all of the conditions on which the Reserved Quota Allowance was allocated.
- 3 Such a transfer will only apply to the relevant Quota Year, and will not comprise a transfer of Production History.
- 4 All transfers of quota allowance, being General Quota Allowance or Reserved Quota Allowance, must be notified to the Board by 20 December of the relevant Quota Year in the manner set out in Section 17, Form 3 and the transfer form must be signed by authorised signatories of both the transferor and the transferee.
- 5 No holder of unconditional Reserved Quota Allowance Allocation will be entitled to transfer that quota other than to the marketer nominated its current business plan accepted by the Board.
- 6 The Board will upon receipt of a properly completed transfer form confirm that at the date of receipt the transferor has sufficient Quota Allowance for such a transfer to be completed.
- 7 Transfers shall have no effect until confirmed by the Board in accordance with paragraph 5 above.

Cross-reference: General Provisions; Section 11, Part A

B Unused General or Reserved Quota Allowance

- 1 If a holder of General or Reserved Quota Allowance does not use (and has not transferred by valid transfer confirmed by the Board) all or any portion of its allowance for that Quota Year then, subject to Section 5, Part A, paragraph 8, the unused allowance will revert to the



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Board for allocation to all other General Quota Allowance holders which seek a portion of that allowance for the remainder of the relevant Quota Year, in proportion to the percentage of every such holder's initial allocation of General Quota Allowance for that Quota Year.

- 2 First Year New Entrants that have not used any of their Reserved Quota Allowance allocation by 1 October may return their Reserved Quota Allowance allocation to the Board and be eligible to apply as a New Entrant for the following Quota Year.
- 3 On or before 1 October of a Quota Year all holders of General and Reserved Quota Allowance must notify the Board in writing if they will not utilise any portion (the portion to be specified by them) of allowance allocated for that Quota Year (and which they have not transferred by a completed transfer confirmed by the Board by that date). The Board upon receipt of such advice will use its best endeavours to reallocate such unused portions to Qualifying Companies within one week, and if not, by 15 October.
- 4 Upon receipt by the Board of notification by a company, under paragraph 2 above, the specified amount of the allowance will revert to the Board for allocation in accordance with paragraph 1 above.
- 5 If a holder of General or Reserved Quota Allowance (Transferor) transfers Quota to any other party (Transferee) and at the end of the Quota Year the Transferee holds unused Quota (Unused Quota) which includes all or part of such transferred Quota and the Transferee does not make application either for General and/or Reserved Quota Allowance for the following Quota Year in excess of the Unused Quota, the Transferor shall be deemed to have held as at the end of the Quota Year in which such transfer was made, in addition to any unused quota actually held, the lesser of such unused Quota or the Quota which was transferred.

For the purposes of determining whether Unused Quota includes all or part of the Quota transferred, a Transferee shall be deemed to have used first the Quota the Transferee has held the longest, and if there is dispute as to the calculation of Unused Quota such shall be determined by an auditor appointed by the Board.

- 6 The Board may take action or impose penalties, including under Sections 24(4) and 34 of the Act, in relation to those quota holders that have unused quota remaining at the end of the Quota Year.

The Board will not take such action or impose such penalties if the amount of quota remaining unused by the company does not exceed a tolerance level of 0.5% of the company's quota allowance, or 25 tonnes whichever is the higher.

A company exceeding the tolerance will have 2 times the amount of underutilization exceeding the tolerance deducted from its quota allocation in the next Quota Year.

The Board will advise industry annually in September of any potential penalty situations.

Cross-reference: General Provisions; Section 11, Part A

C Transfer of Production History

- 1 Where a company (including one in liquidation or receivership) wishes to sell or otherwise transfer all, or part, of its Production History, then that Production History will be able to be transferred if:
- (a) the Production History is sold or otherwise transferred to a Qualifying Company or a New Entrant (including a consortium, a member of which has been allocated quota allowance on behalf of the consortium under this Allocation System); and
 - (b) the Board has approved of the transferee of that Production History, which approval shall be in writing and shall not be unreasonably withheld.
- 2 Applications for the transfer of Production History, or any part of it, shall be completed by the transferor and the transferee in the manner set out in Section 17, Form 4 and must be signed by authorised signatories of both the transferor and the transferee.
- 3 Except where paragraph 1 above applies the purported transfer of a company's Production History will automatically result in the Production History of the company being cancelled and no longer forming part of TPH as defined in Sections 4 and 5.



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- 4 Subject to paragraph 7 below, where there is a transfer of Production History in accordance with paragraph 1 above, the Production History will be valid in respect of any allocation of General Quota Allowance to the transferee in any future Quota Year in terms of the General Quota Allowance Allocation Formula, as if the transferee had been the transferor.
- 5 Any company seeking to transfer its Production History under paragraph 1 above, and the proposed transferee, shall provide to the Board all information requested by the Board.
- 6 The transfer of Production History will not be effective until confirmed by the Board and notice of the transfer has been given by the Board to the transferee.
- 7 For the purpose of calculating the entitlement to General Quota Allowance for any Quota Year a transfer of Production History must have been confirmed by the Board by 15 October prior to the commencement of the relevant Quota Year, or such other date as the Board allows.
- 8 A New Entrant shall not be permitted at any time during its New Entrant Period and for 3 years after the end of its New Entry Period, to transfer, sell or otherwise dispose of any Production History accruing as a result of its New Entrant status, including Production History based (directly or indirectly) on Reserve Quota allocations. Subject to any other provision in this manual, transfer of Production History not resulting from New Entrant status, ie Production History equal to amounts of quota purchased, or Production History exceeding the amount of quota held in a given Quota Year, will not be restricted.

*Cross-reference: Consortia; Section 8
General Provisions; Section 11, Part A*

GENERAL PROVISIONS

A Non-Compliance

- 1 Reference is made to section 34 of the Act which addresses the action that the Board may take in certain circumstances.
- 2 Subject to Section 5, Part A, paragraph 8, where any General or Reserved Quota Allowance is no longer permitted to be utilised by the holder pursuant to section 34 of the Act, the General or Reserved Quota Allowance shall be allocated by the Board to non-offending holders of General Quota Allowance which seek a portion of that quota allowance for the remainder of the relevant Quota Year, in proportion to the percentage of every such holder's initial allocation of General Quota Allowance for that Quota Year.
- 3 The Board may, at its discretion, not enforce any of the provisions of section 34 of the Act if, in its view, the failure to use General or Reserved Quota Allowance or the use of an excess quantity of the General or Reserved Quota Allowance held by a company is of a minor nature, and no other holder of General or Reserved Quota Allowance has been disadvantaged by that use, or within the tolerance level permitted by the Board.

B Limitation of Access

Where there has been an alteration of the amount of total access to the TRQ allocated or set aside under this Allocation System in respect of the relevant Quota Year then the Board will, in terms of section 24 of the Act, determine any adjustment of quota allowance.

C Notices

- 1 Any notice required to be issued by the Board, or the New Entrant Allowances Committee, to a company under this Allocation System will be valid if given in writing:
 - (a) by posting it to the company's postal address provided to the Board by the company; or



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- (b) by sending it by electronic mail to an address provided to the Board by the company; or
 - (c) by any other means provided for service of documents under the Companies Act 1993.
- 2 Where a document is posted to the Board or the New Entrant Allowances Committee or a company it shall be deemed to be received by the Board, or the New Entrant Allowances Committee or the company on the fourth working day after being posted.

CERTIFICATE OF ORIGIN- SINGLE/MULTIPLE CUSTOMS DECLARATION

A Completion of the Certificate of Origin – Single/Multiple Customs Declaration

- 1.(a) The Certificate of Origin (COO) – Single Customs Declaration
- 1.(b) The Certificate of Origin (COO) – Multiple Customs Declaration

2. The format of the COO – Single/Multiple Customs Declaration has been designed to conform with the standard aligned export documentation system, to enable exporters to enter the greater part of the required information at the same time as other export documents are being prepared.

- 3.(a) The COO-Single Customs Declaration must only be used for a single customs entry, with multiple order numbers (i.e. one COO, one shipment entry).
- 3.(b) The COO-Multiple Customs Declaration must only be used for products covered by one order number. This COO can be used to make several entries and allows the customs officer to record entry volumes on the reverse of the form and deduct successive entries from the original volume (i.e. one COO, multiple shipment entries).

4. Exporters must complete the following sections of the document as follows:
(Note: Minimum font size allowed is 8pt).

- Section 1** Full name and postal address of the exporter
- Section 3** Full name, address and country of receiving consignee. It is imperative that the consignee's correct name and address is shown on all COO's.
- Section 6** Intended country of destination.
Cross reference: Eligible Countries; Section 16, Appendix Five
- Section 10** The name and voyage number of the carrying vessel. Consignments by air may be indicated by the term "airfreight".
- Section 11** The order number represents the coefficients noted in Article 3 of Regulation (EC) No. 2202/2004 that convert the product weight carcase and weight requirement. The order numbers are:

Order No.	Coefficient	Product
09.2109	1.67	Boneless lamb and goatmeat of kid
09.2110	1.81	Boneless, sheep and other goatmeat
09.2013	1.00	Bone-in carcasses and cuts

Section 12 The description of goods must include the following details:

- (a) Product type heading, i.e. whether "MUTTON, LAMB or GOATMEAT" INCLUDING THE WORD "CHILLED" or "FROZEN" and the words "NEW ZEALAND" (in capitals).
N.B. a separate heading is required for each product type.
- (b) Chilled and Frozen product may be on the same COO – Single/Multiple Customs Declaration.
- (c) COO-Single Customs Declarations - Within each type of product:
 - each product must be grouped by order number under each product-type heading.
 - Carton number.
 - Followed by "BONE-IN" OR "BONELESS" in CAPITALS (abbreviations are not permitted, include bone-in for carcass, this is required even if bone-in or boneless is included in the description).
 - Followed by product description
Cross reference: EU Customs Tariff – CN Codes; Section 16, Appendix Three
 - Followed by the EMPIC number
Cross reference EMPIC Codes; Section 16, Appendix Four
- (d) COO-Multiple Customs Declarations - Within each type of product:
 - only products corresponding to one order number (Section 11) can be included on the forms.
 - Carton number.
 - Followed by "BONE-IN" OR "BONELESS" in CAPITALS (abbreviations are not permitted, include bone-in for carcass, this is required even if bone-in or boneless is included in the description).
 - Followed by product description
Cross reference: EU Customs Tariff – CN Codes; Section 16, Appendix Three
 - Followed by the EMPIC number
Cross reference EMPIC Codes; Section 16, Appendix Four
- (e) The product description needs to be sufficient to allow an eight digit CN Code to be easily derived at the importing end, by both importers and Customs authorities.

- (f) Container numbers and MPI Seal numbers are optional, but if they are included they must be immediately below the Product heading "NEW ZEALAND (FROZEN/CHILLED LAMB/MUTTON/GOATMEAT)".
- (g) Shipping marks are optional but, if they are included, must be to the left of and separate from the BONE-IN/BONELESS column.
- (h) Equivalent descriptions in a foreign language are permitted for Product headings and Product descriptions but must be on a separate line beneath the English version.

Cross reference: EMPIC Codes, Section 16, Appendix Four.

Section 13 The net weight of each item listed in Section 12.

Section 14 The total net weight of all product item net weights listed in Section 13.

Section Titled "Attestation of the Issuing Authority"

- When completing weight details the weight of boneless product is to be converted from packed net weight to carcass weight equivalent by multiplying net weight by the coefficients defined in Commission Regulation (EC) No. 2202/2004 of 21 December 2004 or any amendment to that regulation. Those coefficients are 1.67 for lamb and kid and 1.81 for mutton and goatmeat other than kid.
- All weights are to be recorded in kilograms and shown to a minimum of two decimal places.
- The relevant Quota Year and place of issue (Wellington or Brussels) should also be completed.
- The Board will complete the remaining details in this box (i.e. date of issue, seal and signature). The Board will also complete the expiry date which is three calendar months from the date of issue up to 31 December. (The Board will also complete Section 2 with an individual serial number for the Certificate of Origin. The original and copies of each Certificate of Origin will bear the same serial number).

B Issuing Procedures

1. Exporters should submit to the Board for authorisation one original and two copy certificates (all on white paper) covering each consignment.

NB: The rear side of the Certificate of Origin for Multiple Customs Declaration should only appear on the original and not any of the copies.

2. The Board will return the original and one copy to the exporter. The last copy will be retained by the Board on file.
3. In view of the obvious need to expedite the dispatch of documents to consignees, the Board will endeavour to process and return certificates within 24 hours of their receipt. Exporters are required to supply their own courier packs or stamped addressed envelopes for the return of the certificates.

C Replacement of Certificates

Situations may arise whereby due to shipping delays, or some other circumstance, the three month period shown on the certificate expires before the product can be entered through customs. Similarly, a change in the country of destination from that shown on the certificate, change of consignee or incorrect weights will also render the certificate invalid. In such circumstances, the exporter should apply to the Board's offices either in Brussels or Wellington to have the certificate replaced. Should an importer apply to the Board's Brussels office for replacement of a certificate, permission will be sought from the exporter before a certificate can be replaced.

D Certificate of Origin Certification Charges

The certification charges listed in Section 16, Appendix Three (Schedule of Fees) will apply.

GENERAL QUOTA ALLOWANCE: PROCEDURES

A Administration

- 1 General Quota Allowance allocations will be made annually by the Board in accordance with the General Quota Allowance Allocation Formula (Section 4, Part 1) on or before the commencement of the Quota Year for which the allocation is being made.
- 2 Every application for an allocation of General Quota Allowance, including an application to record Production History preliminary to an application for Quota Allowance in a subsequent year, shall:
 - (a) be made in writing on Form 4 or 5; Section 17 or via the New Zealand Meat Board website (as appropriate) and must be lodged with the Board on or before 15 October of the year prior to the commencement of the Quota Year. (In completing the application form the applicant will agree to be bound by the terms set out in this Allocation System); and
 - (b) be accompanied by a participation fee set by the Board. In the event that an application is unsuccessful, the participation fee will be refunded to the New Entrant. (The prescribed application fee and participation fee for Year 2 and Year 3 New Entrants will cover their applications for General and Reserved Quota Allowance, and will be payable at the time their application for Reserved Quota Allowance is lodged with the Board.)
- 3 Applications by New Entrants in respect of General Quota Allowance will be overseen by the New Entrant Allowances Committee.

*Cross-reference: General Quota Allowance Allocation System; Section 4
New Entrant Allowances Committee; Section 14
Schedule of Fees; Section 16, Appendix Three*

B Timing of advice of allocation

- 1 The Board will use its best endeavour to advise companies of their allocation of General Quota Allowance on or before 10 December prior to the commencement of the Quota Year for which the allocation is being made.



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- 2 Any additional allocation of General or Reserved Quota Allowance (eg: from the Reserved Quota Allowance, General or Reserved Quota Allowance forfeited by another company, or an increase in the total quantity covered by the TRQ) to holders of General Quota Allowance will be advised as soon as is practicable.

NEW ENTRANT ALLOWANCES COMMITTEE

A The role of the New Entrant Allowances Committee

The New Entrant Allowances Committee shall consider applications by New Entrants and make recommendations to the Board which will allocate Reserved Quota Allowance set aside for the purpose of allocation to New Entrants.

B Membership of the New Entrant Allowances Committee

- 1 The New Entrant Allowances Committee shall be a subcommittee of the Board, consisting of four members, being the Chief Executive of the Board, two Government-appointed Board Directors, and a “farmer-elected” Board Director.
- 2 Each member of the New Entrant Allowances Committee will be entitled to appoint an alternate to attend and vote on the member’s behalf at any meeting of the New Entrant Allowances Committee in the place of that member.
- 3 Any appointee to, and any alternate of a member of, the New Entrant Allowances Committee may be removed from office by the Board at any time by a resolution to that effect.
- 4 The Board may make rules as to the conduct of the New Entrant Allowances Committee and subject to such rules the New Entrant Allowances Committee may regulate its own procedures and practices.
- 5 The New Entrant Allowances Committee may appoint any person it believes appropriate to assist it for a specified time or purpose.
- 6 The New Entrant Allowances Committee must meet as soon as is reasonably practicable after 1 September of each year.

- 7 Conditional allocations to New Entrants will be notified to the applicants on or before 10 December prior to the commencement of the Quota Year for which the allocation is being made.

C Procedure for Applications

- 1 A New Entrant is entitled to apply in its first year for Reserved Quota Allowance, and once the New Entrant has been allocated Reserved Quota Allowance it is entitled to apply for Reserved and General Quota Allowance for the two following Quota Years.
- 2 Every application by a New Entrant for an allocation of Reserved Quota Allowance shall:
- (a) be made in writing on Form 8; Section 17 and must be lodged by 1 September prior to the commencement of the Quota Year. In completing the application form, the applicant will agree to be bound by the terms set out in this Allocation System;
 - (b) be accompanied by an application fee and fixed portion of the participation fee set by the Board. In the event that an application is unsuccessful, the participation fee will be refunded to the New Entrant, unless it advises the Board that it wishes the application to continue as an application to record Production History preliminary to an application for Quota Allowance in a subsequent year.
 - (c) provide sufficient information to satisfy the Board that the applicant is a New Entrant, is entitled to make the application, and is genuinely independent of any holder of General or Reserved Quota Allowance;
 - (d) provide information of the applicant's anticipated processing as Owner of Qualifying Product at Time of Slaughter for the applicable Production Season(s) including information supporting the applicant's assessment of the volume of Qualifying Product the applicant will process;
 - (e) contain such reasonable evidence of the applicant's business standing, experience and financial standing as the Board may request for the purpose of it assessing the likelihood of the applicant meeting its estimate of the quantity of Qualifying Product to be processed and sold by it; and

- (f) provide sufficient information to satisfy the Board that the applicant has existing investment and a committed future investment in at least two of the following activities relating to meat products for export
 - (i) distribution;
 - (ii) marketing;
 - (iii) packaging;
 - (iv) processing.

- (g) provide information as to any association over the previous six years or intended association during the applicable New Entry Period between the applicant and any holder of General or Reserved Quota Allowance (“the Quota Holder”).

Association includes:

- (i) any beneficial shareholding in the applicant by a Quota Holder or an interest as a shareholder or director of a Quota Holder in the applicant;
 - (ii) borrowing or lending between the applicant and the Quota Holder;
 - (iii) any direct or indirect control by the Quota Holder of the applicant or the management of the applicant;
 - (iv) any guarantee by the Quota Holder in favour of the applicant;
 - (v) the provision of any services by the quota Holder to the applicant.
-
- 3 If the New Entrant Allowances Committee, or the Board, considers that further information is required from the applicant, it may require that the information be provided prior to it considering the application. The Committee may request the applicant to appear before it where such attendance would assist the Committee in making a recommendation to the Board. If the information is not provided in sufficient time prior to the commencement of the applicable Quota Year the Board may decline to consider the application for that Quota Year.

- 4 The applicant may include in its application, or by a supplementary statement, such information or comment as the applicant considers will assist the Board in considering the application.
- 5 As soon as is reasonably practical after 1 September, and subject to the applicant providing any further information requested, the New Entrant Allowances Committee shall consider the application and make a written recommendation to the Board.
- 6 The Board shall consider all recommendations and shall make provisional allocations of Reserved Quota Allowance having regard to the matters set out in paragraph 9 below. Upon making a provisional allocation of Reserved Quota Allowance the Board shall as soon as is practicable notify the New Entrants of those provisional allocations. (The final conditional allocation of Reserved Quota Allowance will be confirmed, together with the allocations of General Quota Allowance by 10 December.)
- 7 Where, after considering the recommendation of the New Entrant Allowances Committee, the Board is not satisfied that it should allocate to an applicant any or all of the Reserved Quota Allowance applied for by that applicant, it shall appoint a convenient time and place for hearing the application, and shall give at least 14 days notice of the hearing to the applicant. Such notice shall include a statement of reasons as to the respects in which the Board is not satisfied that it should allocate to the applicant the Reserved Quota Allowance applied for.
- 8 For the purpose of the hearing:
 - (a) the applicant is entitled to be heard through its nominated representative;
 - (b) the Board may seek and receive such information as it thinks fit, and consider information obtained from any source; and
 - (c) if the Board proposes to take into account any information that is or may be prejudicial to the applicant's case, the Board shall first disclose that information to the applicant and give the applicant a reasonable opportunity to comment on it.
- 9 The Board shall determine the amount of the allocation by having regard (amongst other things) to:

- (a) the New Entrant Allowances Allocation Formula; and
 - (b) the applicant's projected and/or actual production for the Production Seasons applicable to the New Entry Period and ability to realise any projections; and
 - (c) the applicant's three year business plan; and
 - (d) the equitable distribution of Reserved Quota Allowance between all New Entrants applying for a portion of Reserved Quota Allowance in that year.
- 10 After determining an application following a hearing, the Board shall give written notice to the applicant of its decision, including its reasons, where it refuses to grant an allocation of Reserved Quota Allowance, or where the allocation is less than that applied for.

Cross-reference New Entrant Allowances Allocation System; Section 5, Part A

D Allocation of Reserved Quota Allowance is conditional

- 1 When an allocation of Reserved Quota Allowance is made by the Board, the Board shall notify the applicant of the conditions which must be met by the applicant before the Board will issue any Certificates of Origin in respect of Reserved Quota Allowance. The conditions shall include that:
- (a) the applicant is a New Entrant at the commencement of and will continue to be at all times during the applicable New Entry Period; and
 - (b) all information contained in the application and/or supplied to the New Entrant Allowances Committee or the Board by or on behalf of the applicant is true and correct and no relevant information was omitted; and
 - (c) the applicant is to comply with its three year business plan including the quantity of Qualifying Product to be processed and sold by it.
- 2 Any New Entrant that is allocated Reserved Quota Allowance shall have its production performance monitored by the Board.

- 3 Certificates of Origin will not be issued for Reserved Quota Allowance until the holder of the Reserved Quota Allowance has demonstrated to the Board that it has met the conditions upon which the conditional allocation of Reserved Quota Allowance was based. This assessment should be made by the Board on a regular basis.
- 4 If an applicant for EU Sheepmeat and Goatmeat Reserved Quota Allowance has not produced any Qualifying Product by the end of March in the appropriate Production Season, any conditional Reserved Quota Allowance held for that applicant shall be reallocated in accordance with Section 10, Part B, paragraph 1.
- 5 This Part D applies only to Reserved Quota Allowance which is conditionally allocated, and does not apply to allocations of General Quota Allowance.

Cross-reference: Administration of General and Reserved Quota Allowance Allocations; Section 7, Part A

D Unallocated Reserved Quota Allowance

If, by 31 March of any Quota Year, any part of the Reserved Quota Allowance available for allocation has not been conditionally allocated, then that part of the Reserved Quota Allowance shall be allocated in accordance with Section 10, Part B, paragraph 1.

Cross-reference: New Entrant Allowances Allocation System; Section 5, Part A

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EU Sheepmeat and Goatmeat

SECTION FIFTEEN

AMENDMENT OF SYSTEM: CONSULTATION PROCESS

- 1 The Allocation System may be amended at any time in accordance with the Act.
- 2 The Board will not amend the Allocation System without consulting those persons required to be consulted in terms of the Act.
- 3 **The process of consultation shall be:**
 - (a) The Board will give notice in writing to those persons required to be consulted in terms of the Act, outlining the provisions of the proposed amendments and requesting a written response within a period of not less than 14 days. The response shall set forth any objections to the proposed amendments and provide particulars as to how those objections might be met.
 - (b) Those persons required to be consulted in terms of the Act shall, if they so request be entitled to appear before the Board and may make submissions orally, or in writing, regarding the proposed amendments.
 - (c) The Board shall consider all responses and written or oral submissions made to it, and such other information as it considers appropriate and shall then determine whether or not to proceed with amendments.



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDICES

Appendix One:	Industry Agreed Disciplines
Appendix Two:	Schedule of Fees
Appendix Three:	EU Customs Tariff (“Out of Quota”) - CN Codes
Appendix Four:	EMPIC Codes
Appendix Five:	Eligible Countries
Appendix Six:	Quota Allowance Allocation System - Guidance Note



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX ONE

INDUSTRY AGREED DISCIPLINES

AC & A AND PRODUCT QUALITY ACKNOWLEDGMENT AGREEMENT

OBJECTIVE:

To ensure that only lamb carcasses, cuts and processed lamb which meet minimum standards of tenderness will be exported to nominated markets.

REQUIREMENT:

- 1 The Product of Quality Acknowledgment Document is adhered to by all participants. This document is distributed to a company which has been granted an Export Registration Certificate (ER) under the Act.
- 2 Product for Great Britain, Northern Ireland and Northern Europe to meet Accelerated Conditioning & Ageing (AC & A) standards.
- 3 Product for the EU countries in the Mediterranean area of Europe ie Greece, Italy, Spain, Portugal and the Canary Islands plus the non EU country of Malta, Cyprus and Gibraltar to be a minimum of AC standard but desirably to meet full AC & A standards.
- 4 From 1 October 1999, New Zealand's meat exporting companies accepted self-management and self-audit of the technical specifications for AC & A Standards. The requirement remains to achieve a minimum of 95 percent of product to be less than 11kgF with a mean of 8kgF and a standard deviation of 1.8.
- 5 All carcasses for export to the EU to be wrapped in polystockinette (or equivalent).

DATE OF IMPLEMENTATION:

1 October 1989



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX ONE

INDUSTRY AGREED DISCIPLINES

MP GRADE MUTTON

OBJECTIVE:

To ensure that MP Grade Mutton is not exported in carcass form because of the aesthetic appearance of an incomplete or heavily trimmed carcass.

REQUIREMENT:

That all MP Grade Mutton be cut and boned before export.

DATE OF IMPLEMENTATION:

1 October 1983

CROSS REFERENCE TO CIRCULARS:

NZMPB Circular Number 1138.



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX ONE

INDUSTRY AGREED DISCIPLINES

MUTTON LABELLING

OBJECTIVE:

To ensure that lamb and mutton are appropriately labelled to enable those in the purchasing and distribution chain to easily distinguish between the two and make informed purchasing decisions.

REQUIREMENT:

- 1 That all vacuum packed mutton exported to greater Europe (EU and EFTA) be labelled as follows:
 - (a) Where the language used on the label is English, the product name “MUTTON” must appear on the wrapping and packaging;
 - (b) If a language other than English is used which does not clearly distinguish between lamb and mutton, the product name “MUTTON” in English must be used also on the wrapping and packaging;
 - (c) Both the carton and the cut product must be clearly labelled with the product name.
- 2 It is recommended that this requirement be applied to all product as the end use is often not known at time of packing in New Zealand.

DATE OF IMPLEMENTATION:

1 January 1995.

CROSS REFERENCE TO CIRCULAR:

NZMPB Circular Number 1237.



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX ONE

INDUSTRY AGREED DISCIPLINES

RESTRICTED LAMB CLASSES

OBJECTIVE:

To define the qualifying markets for the following restricted lamb classes.

REQUIREMENTS:

That “cutter” carcasses are not exported to any market in the EU.

DATE OF IMPLEMENTATION:

23 August 1989

CROSS REFERENCE TO CIRCULAR:

NZMPB Circular Number 1140.

SCHEDULE OF FEES

The following schedule details fees charged for activities within the Allocation system and are applicable as at 1 January 2012.

	\$ (G.S.T) exclusive
Quota Fees	
New Entrant Application Fee	10,500.00
Fixed Participation Fee (refunded to unsuccessful New Entrants)	5,000.00
Variable Participation Fee (per tonne)	1.80
Certificate of Origin (per certificate)	
Wellington Issued Certificate (electronic)	7.50
Wellington Issued Certificate (manual)	25.00
- Not issued	50.00
- Cancelled	50.00
- Credit	50.00
Brussels Issued Certificate	
- Sea Freight	200.00
- Air Freight	150.00
Transfers General Quota	
General Quota	50.00
Reserved Quota Allowance	50.00
Production History	500.00
Quota Utilisation Reports	Nil
Miscellaneous	
Production / Export History Audit	Actual Cost
Company Compliance Audits*	Actual Cost
Courier within EU/UK	Actual Cost

* *Approval of company procedures and audits of compliance with those procedures or carried out by independent auditors at the company's expense.*

Notes:

1. In the case of certificate cancellation, a fee is paid for the original issuing of the certificate and again for cancellation of the certificate and crediting of the exporter quota balance.

EU CUSTOMS TARIFF (“OUT-OF-QUOTA”) – CN CODES

CN Code	Description	Conventional Rate of Duty (%)	Supplementary Unit
1	2	3	4
0204	Meat of sheep or goats, fresh, chilled or frozen:		
0204 10 00	- Carcasses and half-carcasses of lamb, fresh or chilled	12,8+171,3€/100kg/net (*)	-
	- Other meat of sheep, fresh or chilled		
0204 21 00	-- Carcasses and half-carcasses	12,8+171,3€/100 kg/net (*)	-
0204 22	-- Other cuts with bone in:		
0204 22 10	--- Short forequarters	12,8+119,9€/100 kg/net (*)	-
0204 22 30	--- Chines and/or best ends	12,8+188,5€/100 kg/net (*)	-
0204 22 50	--- Legs	12,8+222,7€/100 kg/net (*)	-
0204 22 90	--- Other	12,8+222,7€/100 kg/net (*)	-
0204 23 00	-- Boneless	12,8+311,8€/100 kg/net (*)	-
0204 30 00	- Carcasses and half carcasses of lamb, frozen	12,8+128,8€/100 kg/net (*)	-
	- Other meat of sheep, frozen:		
0204 41 00	-- Carcasses and half-carcasses	12,8+128,8€/100 kg/net (*)	-
0204 42	-- Other cuts with bone in:		
0204 42 10	--- Short forequarters	12,8+90,2€/100 kg/net (*)	-
0204 42 30	--- Chines and/or best ends	12,8+141,7€/100 kg/net (*)	-
0204 42 50	--- Legs	12,8+167,5€/100 kg/net (*)	-
0204 42 90	--- Other	12,8+167,5€/100 kg/net (*)	-

* WTO Tariff quota: see Annex 7

Source: Official Journal of the European Communities, 23 October 2001

EU CUSTOMS TARIFF (“OUT-OF-QUOTA”) – CN CODES

CN Code	Description	Conventional Rate of Duty (%)	Supplementary Unit
1	2	3	4
0204 43	--Boneless		
0204 43 10	--- Of lamb	12,8+234,5€/100kg/net (*)	-
0204 43 90	--- Other	12,8+234,5€/100kg/net (*)	-
0204 50	- Meat of Goats		
	-- Fresh or chilled		
0204 50 11	-- Carcasses and half-carcasses	12,8+171,3€/100 kg/net (*)	-
0204 50 13	--- Short forequarters	12,8+188,5€/100 kg/net (*)	-
0204 50 15	--- Chines and/or best ends	12,8+188,5€/100 kg/net (*)	-
0204 50 19	--- Legs	12,8+222,7€/100 kg/net (*)	-
	--- Other		
0204 50 31	----Cuts with bone in	12,8+222,7€/100 kg/net (*)	-
0204 50 39	---- Boneless cuts	12,8+311,8€/100 kg/net (*)	-
	-- Frozen:		
0204 50 51	--- carcasses and half carcasses	12,8+128,8€/100 kg/net (*)	-
0204 50 53	--- Short forequarters	12,8+90,2€/100 kg/net (*)	-
0204 50 55	--- Chines and/or best ends	12,8+141,7€/100 kg/net (*)	-
0204 50 59	--- Legs	12,8+167,5€/100 kg/net (*)	-
	--- Other		
0204 50 71	---- Cuts with bone in	12,8+167,5€/100 kg/net (*)	-
0204 50 79	---- Boneless cuts	12,8+234,5€/100 kg/net (*)	-

* WTO Tariff quota: see Annex 7

Source: Official Journal of the European Communities, 23 October 2001

EMPIC CODES (Export Meat Product Identification Codes)

Lamb: Same number for chilled and frozen, number ends in either C or F

LAMB	Light (L)	Medium (M)	Heavy (X,H)	Mixed			Light (L)	Medium (M)	Heavy (X,H)	Mixed
CARCASS										
Y	30110	30310	30510	-			32100	32300	32500	32900
Y-E	-	30311	30511	-			32101	32301	32501	32901
P	30120	30320	30520	-			32110	32310	32510	32910
P-E	-	30321	30521	-			32127	32327	32527	32927
PH	-	-	30525	-			32129	32329	32529	32929
PHE	-	-	30526	-			32140	32340	32540	32940
T	30130	30330	30530	-			32141	32341	32541	32941
F	30140	30340	30540	-			32142	32342	32542	32942
C	30150	30350	30550	-			32170	32370	32570	32970
A	30160	-	-	-			32175	32375	32575	32975
Beta	30170	-	-	-			32176	32376	32576	32976
sample carcasses	30198	30398	30598	30998			32179	32379	32579	32979
other	-	-	-	30999			32180	32380	32580	32980
							32190	32390	32590	32990
BONEIN							32191	32391	32591	32991
leg - c/on s/on	31100	31300	31500	31900			32194	32394	32594	32994
leg - c/on s/off	31101	31301	31501	31901			32195	32395	32595	32995
leg - c/off s/on	31102	31302	31502	31902			32196	32396	32596	32996
leg - c/off s/off	31103	31303	31503	31903			32198	32398	32598	32998
leg - c/t	31104	31304	31504	31904			32199	32399	32599	32999
paribone leg - c/on s/on	31110	31310	31510	31910			32097	-	-	-
paribone leg - c/on s/off	31111	31311	31511	31911						
paribone leg - c/off s/on	31112	31312	31512	31912						
paribone leg - c/off s/off	31113	31313	31513	31913						
leg steaks	31127	31327	31527	31927						
hind shank	31128	31328	31528	31928						
other leg cuts	31129	31329	31529	31929						
saddle - 8 rib c/off	31130	31330	31530	31930						
saddle - 1 rib loin	31131	31331	31531	31931						
saddle - 7 rib rack	31132	31332	31532	31932						
saddle - chops	31133	31333	31533	31933						
saddle - reformed	31134	31334	31534	31934						
loin - chops	31139	31339	31539	31939						
loin - 8 rib c/on	31140	31340	31540	31940						
loin - 8 rib c/off	31141	31341	31541	31941						
shortloin 1 rib	31142	31342	31542	31942						
rack	31143	31343	31543	31943						
frenched rack	31144	31344	31544	31944						
chump	31170	31370	31570	31970						
hinds	31177	31377	31577	31977						
pistola	31178	31378	31578	31978						
other middle cuts	31179	31379	31579	31979						
5 rib forequarter/trunk	31180	31380	31580	31980						
5 rib breast off	31181	31381	31581	31981						
square cut shoulder	31185	31385	31585	31985						
oyster cut shoulder	31186	31386	31586	31986						
shoulder chops	31188	31388	31588	31988						
breast & flap	31190	31390	31590	31990						
flap	31191	31391	31591	31991						
legs/loins/shoulders	31194	31394	31594	31994						
fore shank	31195	31395	31595	31995						
neck/neck slices	31196	31396	31596	31996						
sample bonnet cuts	31198	31398	31598	31998						
other cuts	31199	31399	31599	31999						

APPENDIX FOUR

EMPIC CODES (Export Meat Product Identification Codes)

Mutton: Same number for chilled and frozen, number ends in either C or F

MUTTON			
	<u>All</u>		
CARCASS		FANCY	
MM	40000	brains	43010
MX	40010	hearts	43020
ML	40020	kidneys	43030
MH	40030	livers	43040
MF	40040	tongues	43050
MP	40050	skirts	43060
HX	40060	heads	43070
HL	40070	bones	43090
ram	40080	other fancy meats	43099
sample carcass	40098		
other grades	40099	INEDIBLE MUTTON	44000
leg - c/on s/on	41000	corned - uncanned	49010
leg - c/on s/off	41001	corned - canned	49011
leg - c/off s/on	41002	other	49099
leg - c/off s/off	41003		
leg - semi boneless c/on sh/on	41010		
leg - femur bone c/on s/off	41011	HOGGET	
leg - femur bone c/off s/off	41012		
shanks	41028	HL carcass	40070
other leg cuts	41029	HX carcass	40060
all middle cuts	41030	Ram	40080
all forequarter/shoulder cuts	41080		
sample bonein cuts	41098		
other cuts	41099		
		GOAT	
BONELESS		<i>Carcass</i>	50000
leg - c/on	42000	<i>Bonein</i>	51000
leg - tunnel boned	42001	<i>Boneless</i>	52000
other leg cuts	42029	<i>Fancy meats</i>	53000
loin/backstrap/striploin	42030	<i>Inedible</i>	54000
tenderloin	42032	<i>Other</i>	59099
side - upto 80cl	42050		
side - over 80cl	42051	Ineligible for quota =	
trunk - upto 70cl	42060		
trunk - over 70cl	42061		
trimmings	42078		
other middle cuts	42079		
fores & hinds shank mixed 85cl	42080		
breast and/or flap	42091		
neck fillets	42096		
sample boneless cuts	42098		
other cuts	42099		

Countries that require Certificates of Origin under the EU Sheepmeat & Goatmeat TRQ:

AT	Austria
BE	Belgium
BG	Bulgaria
HR	Croatia
CY	Cyprus
CZ	Czech Republic
DK	Denmark
EE	Estonia
FI	Finland
FR	France - including the following French Overseas Departments:
	GF French Guyana
	GP Guadeloupe
	MQ Martinique
	RE Reunion
DE	Germany
GR	Greece
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
ES	Spain - including Canary Islands
SE	Sweden
SK	Slovakia
SL	Slovenia

QUOTA ALLOWANCE ALLOCATION SYSTEM

GUIDANCE NOTE – EU SHEEPMEAT AND GOATMEAT QUOTA¹

Introduction

The Meat Board Act 2004 (the Act) requires the New Zealand Meat Board (the Board) to establish and operate Quota Allowance Allocation Systems in country specific tariff rate quota markets. This note is issued as a guide to the requirements under the Allocation Systems. As a result of the GATT Uruguay Round, the following meat products of New Zealand origin may be exported to the European Union at the tariff rates listed below up to the quantities specified. Such quantities are amended as a result of the UK Exit from the EU and the UK apportioning the EU’s TRQs negotiated in the GATT Uruguay Round between the UK and the EU. **New Zealand maintains that such a split diminishes the value of what was negotiated in the Uruguay Round and does not accept the EU and UK decision to split obligations amongst themselves.**

The out-of-quota tariff rates are also given. These apply to product imported outside the quota.

European Union

Product type	Annual Quota Amount	In-quota Tariff Rate	Quota Year	Out-of-Quota Tariff Rate* (From 1 January 2002)
Sheepmeat and Goatmeat; (CN code 0204)	114,184 tonnes (carcass weight equivalent)	Zero Duty	1 January – 31 December	12.8% + 90.2 – 311.8
*Note: tariff rates are quoted in Euro per 100kg/net. The range of rates is a result of different tariff rates for different products.				

Allocation

To whom is quota allocated?

Qualifying Companies

which are those companies that hold export registration certificates issued under the Act and have been the Owners of Qualifying Product² at Time of Slaughter over any of the 3 preceding Production Seasons.

¹ This Guidance Note is intended as a summary of the provisions of the Quota Manual itself. In the event of any inconsistency between the provisions of the Quota Manual and this Guidance Note the provisions of the Quota Manual will prevail.

² Qualifying Product means sheepmeat and goatmeat from livestock slaughtered in a EU Listed Premises for ovine/caprine meat as appropriate and measured as dressed carcass hot weight.

New Entrants

which are those companies that:

- are (or are expected to be by a time approved by the Board) the holders of export registration certificates prior to the use of Reserved Quota Allowance;
- have the ability to process, or have processed, as the Owners of Qualifying Product at Time of Slaughter³, and to sell the volume of Qualifying Product on which the allocation of Reserved Quota Allowance is based;
- during the 3 years prior to the applicable New Entry Period⁴ (6 years from 2009) have not been allocated General or Reserved Quota Allowance;
- are a New Entrant as defined in Section 2 of this Quota Manual;
- for a company that makes its first year application for a portion of Reserved Quota Allowance in respect of the 2006 Quota Year, or a subsequent Quota Year, the company does not qualify as a New Entrant if it does not satisfy the criteria set out in Section 2.

How is Quota Allowance allocated?

At least 98% of the quota is allocated as General Quota Allowance to Qualifying Companies. It is allocated to companies according to their share of the sum of all companies' Production Histories for the preceding three Production Seasons.

Up to 2% of the quota is allocated as Reserved Quota Allowance to New Entrants. New Entrants are able to apply for an allocation of Reserved Quota Allowance for a period of 3 years.

For the first year, the allocation is based on an estimate of production for the season commencing in October prior to the start of the Quota Year. For the second year, it is based on one seasons actual Production History and an estimate for one season. For the third year, it is based on two seasons actual Production History and an estimate for one season.

³ At Time of Slaughter means immediately after slaughter floor weighing of a carcass (ie immediately after the carcass has crossed the scales)

⁴ New Entry Period means in relation to a New Entrant, the Quota Year for which a New Entrant is first allocated Reserved Quota Allowance and the following two Quota Years.

⁵ Association as defined in Section 14, Paragraph C, part 2 (g)



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX SIX

The amount of Reserved Quota Allowance calculated by the formula is reduced by the amount of General Quota Allowance a company's Production History earns.

If the amount of Reserved Quota Allowance is insufficient to meet the Board's proposed allocation the amount allocated to each is abated pro-rata between the New Entrant applicants.

Allocations of Reserved Quota Allowance are conditional upon New Entrants meeting certain criteria and annual production estimates. The ability to utilise Reserved Quota Allowance will be earned progressively during a Production Season when it becomes unconditional, as criteria are met and in proportion to the New Entrant's actual production.

Acquiring and selling Quota Allowance

A holder of General or Unconditional Reserved Quota Allowance may transfer all or part of its quota allowance for the relevant Quota Year to a holder of an export licence. A transfer form must be completed and signed by authorised signatories of both the transferor and the transferee and submitted to the Board. The transfer takes effect when confirmed by the Board.

Acquiring and selling Production History

A holder of Production History may transfer all or part of its Production History for a given Production Season to a Qualifying Company or a New Entrant. The transfer will be valid for any future Quota Years in terms of the General Quota Allowance Allocation formula after it has been approved by the Board. The right of a New Entrant to transfer Production History arising during its New Entry period is restricted.

Administration

Quota Allowance application closing dates for EU Sheepmeat and Goatmeat are:

	EU Sheepmeat and Goatmeat
General Quota Allowance Applications	15 October
Reserved Quota Allowance Applications	1 September



EU Sheepmeat and Goatmeat

SECTION SIXTEEN

APPENDIX SIX

Certificate of Origin

Certificates of Origin (COOs) are required for product to be imported within the terms of the Tariff Rate Quota. Completed COOs showing the details of the consignment must be submitted by the exporter to the Board for authorisation. On receipt of the authorised COOs, it is then the responsibility of the exporter to forward the COO to the importer.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORMS

Index to forms

Production Reports

- 1 Production Report (Refer Section 7, Part A)

Transfers

- 2 Transfer of EU Sheepmeat and Goatmeat Quota Allowance (Refer Section 10, Part A, paragraph 4)
- 3 Transfer of EU Sheepmeat and Goatmeat Production History (Refer Section 10, Part C)

Applications

- 4 Application for EU Sheepmeat and Goatmeat General Quota Allowance (Refer Sections 4 and 13)
- 5 Application by a Consortium for EU Sheepmeat and Goatmeat General Quota Allowance (Refer Sections 4, 8 and 13)
- 6 Application by a New Entrant or New Entrant Consortium for EU Sheepmeat and Goatmeat Reserved Quota Allowance (Refer Sections 5, 8 and 14)



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM ONE

PRODUCTION REPORT

- This report relates to the Quota Allowance Allocation system in respect of European Union Sheepmeat and Goatmeat Tariff Rate a (“Allocation System”).
- A company holding General or Reserved Quota Allowance, or a company wishing to record Production History preliminary to an application for Quota Allowance in a subsequent year, will be required to submit a production report to the Board on a monthly basis or as otherwise requested by the Board (refer Section 7, Part A, paragraph 2).
- Production reports required on a monthly basis must be submitted by the 10th day of the month following the month being reported.
- Where a company’s production history would meet eligibility requirement of more than one quota marker (e.g., the UK and the EU) only one set of production reports will be required provided the Board is satisfied the company meets the eligibility requirements of both quota markets.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM ONE
PRODUCTION REPORT

 Month/Period
 Company
 Date:

 Owner at Time of Slaughter
 Signed (by Contact Person)
 Contact Person
 EU Listed Premises (Establishment Number).....

	SEASON	Carcasses (number)	Bone-in Dressed carcass Hot Weight (tonnes)
LAMB	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		
MUTTON	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		
GOATMEAT	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		

Qualifying Product means sheepmeat and goatmeat from livestock slaughtered in an EU Listed Premises for ovine/caprine, meat as appropriate, measured as dressed carcass hot weight.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM TWO

TRANSFER OF EU SHEEPMEAT AND GOATMEAT QUOTA ALLOWANCE

- This form relates to the Quota Allowance Allocation System in respect of **European Union Sheepmeat and Goatmeat Tariff Rate Quota** (“Allocation system”).
- Section 10, Part A of the Allocation System is of particular relevance when completing this form.
- The form must be completed by both parties to the transfer and returned to the **Quota Officer at the New Zealand Meat Board**.

TRANSFEROR	ER Number:	Reference (e.g. contract number):
	Name of company:	
TRANSFEEE	ER Number:	Reference (e.g. contract number):
	Name of company:	
DETAILS OF TRANSFER	Date of Transfer:	Applicable Quota Year: (1 January to 31 December)
	Quota Allowance transferred: (tonnes net weight)	

The transferee hereby acknowledges that it will utilise during the relevant Quota Year the tonnage of the Quota Allowance transferred to it.

Signed Date:
 (For Transferor)

Name:
 (Please print)

Signed Date:
 (For Transferee)

Name:
 (Please print)

Board use only:	Signed	Date
Transfer form received:		
Information requested of transferor received (if applicable):		
Information requested of transferee (if applicable):		
Transfer confirmed:		
Transfer declined (Provide reason):		
Transferee or transferor notified of transfer		



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM THREE

TRANSFER OF EU SHEEPMEAT AND GOATMEAT PRODUCTION HISTORY

- This form relates to the Quota Allowance Allocation System in respect of **EU Sheepmeat and Goatmeat Tariff Rate Quota** (“Allocation System”).
- Section 10, Part C of the Allocation System is of particular relevance when completing this form.
- The form must be completed by both parties to the transfer and returned to the **Quota Administration Officer at the New Zealand Meat Board**.

TRANSFEROR	ER Number:	Name of Company:*
TRANSFeree	ER Number	Name of Company:
DETAILS OF TRANSFER	Date of Transfer:	Applicable Production Season (October to September):
	Production History transferred (tonnes)	
Reason/Basis of Transfer (specify purchase or other arrangement pursuant to which transfer requested):		

Note*: in respect of a consortium the transferor is to be the member company which is the Owner of Qualifying Product at Time of Slaughter.

Signed Date:
(For Transferor)

Name:
(Please print)

Signed Date:
(For Transferee)

Name:
(Please print)

Board use only:	Signed	Date
Transfer form received:		
Information requested of transferor received (if applicable):		
Information requested of transferee (if applicable):		
Transfer confirmed:		
Transfer declined (Provide reason):		
Transferee or transferor notified of transfer		



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FOUR

APPLICATION FOR EU SHEEPMEAT AND GOATMEAT GENERAL QUOTA ALLOWANCE

- This application is made in terms of the Quota Allowance Allocation System in respect of **European Union Sheepmeat and Goatmeat Tariff Rate Quota** (“Allocation System”).
- Sections 4 and 13 of the Allocation System are of particular relevance when completing this application.
- This application relates to the Quota Year from 1 January to 31 December.
- The application must be lodged with the Board on or before 15 October prior to the commencement of the Quota Year to which this application relates.
- The application must be sent to the **Quota Officer at the New Zealand Meat Board**.

NAME OF APPLICANT

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APPLICANT DETAILS

ER number	Telephone
Email:	Facsimile:
Postal address:	
Street address:	

Note: Notices by the Board will be sent to the applicant at its postal address, facsimile number or email address given above

CONTACT PERSONS

Specify two people who are authorised to act as agents of the applicant (e.g. Chief Executive, Marketing Manager).

Name:
Position

Name
Position



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FOUR

DECLARATION

I am authorised to make this application on behalf of the applicant company and I can verify that:

- (a) the applicant agrees to be bound by the terms of the Allocation system which the applicant has received, and which I have read prior to making this application.
- (b) All the statements contained in this application and any attached documentation are to the best of my knowledge true and correct.
- (c) the applicant acknowledges that it will immediately advise the Board in writing of any change of any of the details contained this application.
- (d) The required application fee is enclosed.

Signature:

Name: (Please print)

Position:

Date:



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FIVE

APPLICATION BY A CONSORTIUM FOR EU SHEEPMEAT AND GOATMEAT GENERAL QUOTA ALLOWANCE

- This application is made in terms of the Quota Allowance Allocation system in respect of **European Union Sheepmeat and Goatmeat Tariff Rate Quota** (“Allocation System”).
- Sections 4, 8 and 13 of the Allocation System are of particular relevance when completing this application.
- This application relates to the Quota Year from 1 January to 31 December.
- The application must be lodged with the board on or before 15 October prior to the commencement of the Quota Year to which this application relates.
- The application must be sent to the **Quota Officer** at the New Zealand Meat Board.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM FIVE

NAME OF CONSORTIUM (For Quota Allowance Allocation Purposes)

CONSORTIUM DETAILS

Member	Details
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FIVE

NOMINEE COMPANY

Company (being a member of the consortium) nominated by consortium to hold quota allowance on behalf of the consortium. The nominee company must hold a current Export Registration Certificate.

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Note Notices from the Board for the Consortium will be sent to the nominee at its postal address, facsimile number or email address given on the previous page.

CONTACT PERSONS

Specify two people who are authorised to act as agents of the applicant (e.g.: Chief Executive, Marketing Manager).

Name:
Position:

Name:
Position:



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FIVE

CESSATION OF CONSORTIUM

Upon the consortium ceasing to qualify to be allocated quota allowance, the production history and any existing general quota allowance held on behalf of the consortium are to be distributed in the following manner.

Production History	Share (%)			
Consortium Member Name	PH _{i-3} []	PH _{i-2} []	PH _{i-1} []	PH _i []
	Total 100%	Total 100%	Total 100%	Total 100%

Existing General Quota Allowance

Consortium Member Name	Share (%)
	Total: 100%

Note: Applicants are referred to Section 8 of the Allocation System



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM FIVE

DECLARATION

We are authorised to make this application on behalf of the applicant members of the consortium and can verify that;

- (a) The applicants agree to be bound by the terms of the Allocation System which the applicants have received and which we have read prior to making this application.
- (b) All the statements contained in this application and any attached documentation are to the best of our knowledge true and correct.
- (c) The applicants acknowledge that they will immediately advise the Board in writing of any change to any of the details contained in this application.
- (d) The required participation fee is enclosed.

Consortium Member

Company Name:

.....
Signature:

.....
Name: (Please print)

.....
Position:

.....
Date:

.....

Consortium Member

Company Name:

.....
Signature:

.....
Name: (Please print)

.....
Position:

.....
Date:

.....

Consortium Member

Company Name:

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Signature:

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Name: (Please print)

.....
Position:

.....
Date:

.....

Consortium Member

Company Name:

.....
Signature:

.....
Name: (Please print)

.....
Position:

.....
Date:

.....



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM SIX

APPLICATION FOR RESERVED QUOTA ALLOWANCE

(To be typewritten or produced on word processor)

Form 8

PART I

Applicant

Quota European Union Sheepmeat an Goatmeat

Year:

Allocation Sought (in tonnes):

Contact Details

Please supply the names of two people authorised to act on behalf of the applicant (e.g. Chief Executive, Company Secretary, Marketing Manager etc.). Notices by the Board will be sent to the applicant at this facsimile or email address.

Where the applicant is a consortium, contact details must be given for a person authorised to act on behalf of each member of the consortium.

Contact Person (1)	
Name	
Position	
Telephone	
Facsimile	
Mobile	
email	
Contact Person (2)	
Name	
Position	
Telephone	
Facsimile	
Mobile	
email	



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM SIX
Applicant Details

Company Name	
Export Registration Number	
Street Address	
Postal Address	
Website URL	
Shareholders (including beneficial shareholders)	(continue on separate sheet if necessary)
Name	
Shares held (% and Number)	
Other interests (shareholdings or directorships)	
Name	
Shares held (% and Number)	
Other interests (shareholdings or directorships)	
Name	
Shares held (% and Number)	
Other interests (shareholdings or directorships)	
Directors	(Continue on separate sheet if necessary)
Name	
Address	
Date of Birth	
Other interests (shareholdings or directorships)	
Name	
Address	
Date of Birth	
Other interests (shareholdings or directorships)	
Name	
Date of Birth	
Address	
Other interests (shareholdings or directorships)	



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM SIX

Applicant's Association with any Holder of General or Reserved Quota Allowance

Specify any association in the past six years, or intended association during the applicable new entry period between the applicant and any holder of General or Reserved Quota Allowance.

Association includes:

- Any beneficial shareholding in the applicant by a Quota Holder or an interest as a shareholder or director of a Quota Holder in the applicant;
- Borrowing or lending between the applicant and the Quota Holder;
- Any direct or indirect control by the Quota Holder of the applicant or the management of the applicant;
- Any guarantee by the Quota Holder in favour of the applicant;
- The provision of any services by the quota holder to the applicant.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM SIX

Where the Applicant is a Consortium:

NAME OF CONSORTIUM (For Quota Allowance Allocation Purposes)

CONSORTIUM DETAILS

Member	Details
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:
Role in consortium (e.g. Owner at time of Slaughter, marketing, ER holder) Contact Person	Postal Address: Street Address: Email: Telephone: Facsimile:



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN
FORM SIX

Nominee Company

Company (being a member of the consortium) nominated by consortium to hold quota allowance on behalf of the consortium. The nominee company must hold a current Export Registration Certificate.

Note Notices from the Board for the Consortium will be sent to the nominee at its postal address, facsimile number or email address given on the previous page.

Cessation of Consortium

Please indicate below the distribution of any general and/or Reserved Quota Allowance and Production History in the event the consortium ceases to qualify to be allocated quota allowance, or the consortium dissolves.

Production History

Consortium Member Name	Share (%)			
	PH _{i-3}	PH _{i-2}	PH _{i-1}	PH _i
	Total: 100%	Total: 100%	Total: 100%	Total: 100%

Existing General Quota Allowance

Consortium Member Name	Share (%)
	Total: 100%

Existing Reserved Quota Allowance

Consortium Member Name	Share (%)
	Total: 100%



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

Part II

FORM SIX

Business Plan

This application must be accompanied by a three year business plan which provides sufficient detail for the Board to assess the viability of the application. Year 2 and 3 applicants should provide a report of performance against the previous year's business plan and any amendments to that plan for the remainder of the new entry period. The business plan must include (but is not limited to) details of:

Management

Details of the applicant's management team, including background on each individual's experience.

Stock Procurement;

Numbers, source and timing of procurement. If procurement is to be by commercial arrangement, evidence of a signed contract is required.

Processing

Monthly estimates of numbers and weight to be processed by species and type (lamb, mutton, bull, steer, heifer, cow) are required for the first year and the two subsequent years to cover the new entrant period. These estimates should include the bone in dressed carcass weights (hot weight), by species and type

Details of the plant where processing is to take place and evidence of EU or US listing as appropriate. If a new plant has been constructed or a plant is being upgraded, confirmation that all regulatory consents and appropriate listing have been obtained

Is the processing facility owned by the applicant or is the livestock to be toll processed? If the applicant plans to toll process stock, evidence of a signed contract will be required.

Details of quality management systems should be included in the application.

Reference should be made to any Industry Agreed Disciplines and whether there is compliance or otherwise.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM SIX

Marketing Plan

The marketing plan will provide details of how the product is to be marketed, including type of product, destination, marketing channels etc.

If marketing is to be undertaken by a third party marketing organisation, then supporting documentation such as a signed contract will be required.

Financial Plan

Financial statements for the last 12 months financial results if available and projections for the 3 year New Entry period are required. Projections must show projected revenue, costs and cashflow statements and include details of funding arrangements, charges (securities) provided to financiers and the names of guarantors.

Existing Export Activities

New entrants are required to be existing meat exporters. Please specify what (if any) exporting activities the applicant has undertaken. Specify products, markets and time period involved.



EU Sheepmeat and Goatmeat

SECTION SEVENTEEN

FORM SIX

PART III

Statutory Declaration

I (full name)
 Of (address)
 (Occupation)
 For (Name of Applicant Company)

Solemnly and sincerely declare that:

- (a) I am authorised by the applicant to make this declaration;
- (b) I have read the application and from my knowledge;
 - i. The contents of the application including the accompanying business plan are true and correct; and
 - ii. No information relevant to the application has been omitted.
 - iii. Neither the applicant, nor any director or shareholder of the applicant has in the last three years, or will have during the new entry period any association (as defined in Section 14 C(2)(g) of the relevant Manual) with an existing General or Reserved Quota holder so that the applicant is not truly independent of that quota holder.
 - iv. The applicant will immediately advise the Board in writing of any change to any of the information in this application;

And further I acknowledge that:

- (c) The applicant agrees to be bound by the terms of the Allocation system under which any Allocation of Reserved Quota Allowance is made;
- (d) It is a criminal offence to make a false declaration knowing it is false and intended to mislead the Board;
- (e) The provision of false information or the omission of relevant information by an applicant may adversely affect the application and also be a breach of a condition of allocation;
- (f) The applicant's failure to meet the conditions on which Reserved Quota Allowance is allocated may result in:
 - i. The Board not issuing Certificates of Origin in respect of Reserved Quota Allowance in the Quota Year in respect of this application; and/or
 - ii. The Board declining to allocate further reserved Quota Allowance to the applicant;

I make this declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at this day of in the year

Signature of authorised person

Position of authorised person

Signed in the presence of

Solicitor, Justice of the Peace.

(Or other person authorised to take a statutory declaration)