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Background

Under the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), Canada opened its dairy market to CPTPP partners. By 2028, 10 years after the CPTPP entered into force, Canada will provide 104,000 megatonnes (MT) of CPTPP-wide access (approximately 3.3% of its market). New Zealand exporters are eligible to take advantage of this new market.

To facilitate immediate access to this market, Canada applied interim administration measures. It is now consulting on its long-term allocation and administration policies for supply-managed (dairy, poultry and egg products) Tariff Rate Quotas (TRQs) which will replace the interim policies from 1 September 2020.

Summary

- The Canadian Government launched [Phase II of the Comprehensive Review of the Allocation of Administration of Tariff Rate Quotas \(TRQ\) for Dairy, Poultry and Egg Products in February 2020 \(the review\)](#).
- Recognising the impact that the COVID-19 situation is having on stakeholders, Canada announced on 1 May that the review has been temporarily suspended.
- No timeline has been provided for when the review will resume.
- Canada has confirmed that submissions submitted under Phase II of the review will be taken into consideration when the review resumes.
- The existing interim administration arrangements will remain in place for CPTPP Dairy Year 3 TRQs (opening for application 1 May 2020). We outline below two options for applying for this quota.
- If you have questions, please contact Rachel Spencer: rachel.spencer@mfat.govt.nz

Report

The government launched **Phase II of Canada's comprehensive review of Tariff Rate Quotas (TRQ) for Dairy, Poultry and Egg Products** in February 2020.

The summary report of Phase I of the consultations held between May and August 2019 can be found [here](#).

In Phase 1, the New Zealand Government encouraged Canada to take active steps to ensure administration of TRQs is:

- transparent, equitable, commercially viable, and minimally burdensome on trade
- responsive to market conditions
- accessible to new entrants; and
- supportive of full utilisation

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HOW TO APPLY FOR CANADA'S CPTPP DAIRY TRQ UNDER THE INTERIM ARRANGEMENTS

There are two interim options for applying for Canada's CPTPP dairy quota.

Option One: To apply directly for CPTPP quota (in either the processor or distributor category) an applicant/company must be:

- [Resident in Canada](#); and
- Must demonstrate [monthly activity](#) in the Canadian market over a 12-month period in the reference period immediately preceding the allocation year.
- The timelines for applying for CPTPP dairy quota are as follows:
 - **CPTPP TRQ Year Three Dairy Year:** applications will open on 1 May 2020 and will close on 15 June 2020. The notice to importers will be available [here](#).
 - **CPTPP TRQ Year Four Calendar Year:** applications will open on 1 October 2020 and will close on 15 November 2020. The notice to importers will be available [here](#).

Option Two: Partner with an existing TRQ holder to assist in filling their quota. The list of current quota holders is available [here](#) (under the Quota Holders List).

Disclaimer

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