

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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High Quality Beef Quota Fill Under Fierce Import Competition

Report Categories:

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Report Highlights:

The third quarter of the 2017/18 High Quality Beef (HQB) quota is expected to fill in only about three weeks. The smaller second quarter allocation led to a stack of over 4,000 MT of beef waiting for the opening of the third quarter on January 2. The eligible increasing production in Argentina and the return of Australian beef supply have initiated a fierce race between EU importers for duty-free beef imports within the available HQB volume.

General Information:

After the second quarter of the 2017/18 High Quality Beef (HQB) quota filled in just over a month at the beginning of November 2017, the third quarter opened on January 2, 2018. The next day, the EU online customs database TARIC indicated that 4,002 MT of beef that allegedly arrived at EU ports at the end of 2017, was awaiting allocation. The first allocation to this third quarter of the HQB occurred on January 9 and already amounted to 5,279 MT, or 47 percent of the 11,250 MT available for this quarter that ends on March 31. By January 17, the TARIC database showed 7,580 MT of beef imports through January 15 allocated, with another 397.3 MT awaiting allocation. That leaves 3,272.7 MT of quota available until April 1 when the last quarter for the current quota year opens.

While the third quarter of the HQB has always seen the slowest fill rate and has not been fully used in previous years, the current import rate suggests that this year it is likely to fill by January 20 or about. On top of still growing demand despite a decreased quota availability, import competition has drastically increased as Argentina is rapidly increasing its eligible production and the slack in supply in Australia has ended.