

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chile

Post: Santiago

Safeguard on dairy imports from New Zealand

Report Categories:

Dairy and Products

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Report Highlights:

Due to significant increases of butter and cheese imports, the Chilean Government proposes to apply safeguard on dairy imports from New Zealand.

General Information:

Carlos Furche, the Chilean Minister of Agriculture, requested that the Distortion Commission impose a three percent surcharge on cheese and butter from New Zealand.

New Zealand is the primary supplier of dairy products to Chile. According to a Ministry of Agriculture report, between January and April 2014 Chilean imports of dairy products from New Zealand totaled U.S. \$35.3 million, an increase of over 200 percent when compared to the same period last year.

According to the Government of Chile, this request falls within the stipulations of the Economic Partnership Agreement (EPA) between Chile, Singapore, New Zealand and Brunei (P4), which was signed on 18 July 2005 and has been in force since November 8, 2006. The agreement provides that Chile may impose a special safeguard measure if the volume of imports of a product during any semester that exceeds the trigger level established for that period.

In the case of butter, the import limit in 2013 was 411.32 MT; this amount was exceeded in both semesters of last year. In the first half of CY2013, 1,591 tons of this product was imported and between July and December, 1,235 tons were imported.

We see the same trend with cheese imports. The import limit was 149 MT and 4,073 MT and 4,491 MT were imported in each semester of CY2013.