

NEW ZEALAND MEAT BOARD

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US Beef & Veal

Quota Manual

November 2006

NEW ZEALAND MEAT BOARD

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CONTENTS

SECTION

- 1 Introduction
- 2 Definitions
- 3 Calendar
- 4 General Quota Allowance Allocation System
- 5 New Entrant Allowances Allocation System
 - A** Basis of New Entrant Allowances Allocation System
 - B** Samples
- 6 Industry Agreed Disciplines
- 7 Administration of General and Reserved Quota Allowance Allocations
 - A** Provision of information
 - B** Statutory Declarations
 - C** Board appointed auditor
 - D** Co-operation with auditing process
 - E** Report from company's auditor
- 8 Consortia
- 9 Production Weight Calculation
 - A** Qualifying Product
- 10 Transfers and Unused Quota Allowance
 - A** Transfer of Quota Allowance
 - B** Unused General or Reserved Quota Allowance
 - C** Transfer of Production History
- 11 General Provisions

NEW ZEALAND MEAT BOARD

Beef & Veal

- A** Non-Compliance
- B** Limitation of Access
- C** Notices

12 Tariff Rate Quota (TRQ) Certificate

- A** Completion of the TRQ Certificate
- B** Issuing procedures
- C** Reissue of certificates
- D** TRQ certification charges

13 General Quota Allowance: Procedures

- A** Administration
- B** Timing of advice of allocation

14 New Entrant Allowances Committee

- A** The role of the New Entrant Allowances Committee
- B** Membership of the New Entrant Allowances Committee
- C** Procedure for applications
- D** Allocation of Reserved Quota Allowance is conditional
- E** Unallocated Reserved Quota Allowance

15 Amendment of System: Consultation Process

16 Appendices:

- Appendix One Industry Agreed Disciplines
- Appendix Two Worked Example
- Appendix Three Schedule of Fees
- Appendix Four EMPIC Codes
- Appendix Five US Beef Import Duties
 - Guidance Note
- Appendix Six Quota Allowance Allocation System
 - Guidance Note

17 Forms

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NEW ZEALAND MEAT BOARD

Beef & Veal

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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 2007 and subsequent Quota Years, and will operate for the United States (“US”) Beef and Veal 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 has negotiated with the US a Tariff Rate Quota (“TRQ”) for the importation of beef and veal into the US. Under Rule 15 Central Federal Register Part 2012.3 of 23 March 1995 (“US Rules”) the ability to import beef and veal into the US from New Zealand within the terms of the TRQ is made subject to the presentation of a Tariff Rate Quota Certificate (“TRQ Certificate”) endorsed by a recognised authority. This is to ensure that only product originating from permitted countries and limited to the specified quantities enters the US within the terms of the relevant TRQ.
- 4 The Board is recognised as the authority for issuing TRQ Certificates, and undertakes to issue the TRQ Certificates only within the quantities and duties provided for in Presidential Proclamation No. 6763 and subsequent US TRQ regulations.
- 5 The Board’s policy for the allocation of US TRQ is founded upon the principle that TRQ should be equitably allocated to Qualifying Companies and eligible New Entrants to ensure that the meat industry is the recipient of the economic benefits deriving from quota markets.
- 6 The Board in establishing the policy evidenced by this Allocation System 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.

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SECTION ONE

- (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 facilitate the capture, for New Zealand and in the interests of the meat industry, of the best possible ongoing returns available from quota markets.
- 7 The Board will only issue TRQ Certificates to a company that has General or Reserved Quota Allowance obtained in accordance with this Allocation System.
- 8 The Allocation System is, in essence, divided into two 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.
- 9 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);

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SECTION TWO

DEFINITIONS

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

Company 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.

General Quota Allowance means the 98% (or more) of the TRQ set aside by the Board under this Allocation System for importing beef and veal into the US, and available in the relevant Quota Year. It does not include Reserved Quota Allowance. A holder of General Quota Allowance is a company that holds a portion of the General Quota Allowance.

General Quota Allowance Allocation Formula means the formula contained in Section 4, paragraph 1.

Hot Weight means the weight of a dressed carcass at the slaughter floor scales prior to any chilling or freezing.

New Entrant means
A) in respect of a Company that makes its first year application for a portion of Reserved Quota Allowance in respect of the 2003, 2004 and 2005 Quota Years a Company which, during the three years prior to the applicable New Entry Period, has not been allocated and used General or Reserved Quota Allowance (but which may have purchased Production History, General and/or Reserved Quota Allowance).

Such a Company does not qualify as a New Entrant if:

- (i) 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

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SECTION TWO

- (ii) during the three years prior to, or during, the applicable New Entry Period 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.

B) in respect of 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, 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:

- i) 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
- ii) it has any director or trustee who is a director or trustee of any other holder of General or Reserved Quota Allowance; and/or

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:

- iii) 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
- iv) 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

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SECTION TWO

- v) 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
- vi) 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
- vii) it has held or holds any material shareholding (including beneficial shareholding) in any other General or Reserved Quota holder; and/or
- viii) is a consortium and any member of the consortium would not qualify as a New Entrant in terms of paragraphs i) – vii) above.

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” in relation to circumstances that did not apply after 31 August 2005 means 3 years, and for circumstances that did apply after 31 August 2005 means 6 years.

Cross-reference: New Entrant Allowances Allocation System;
Section 5, Part A, paragraph 7

A New Entrant shall cease to be a New Entrant upon the completion of the New Entry Period.

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.

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SECTION TWO

<i>New Entrant Allowances Committee</i>	means the committee established under Section 14.
<i>New Entrant Allowances Allocation Formula</i>	means the formula contained in Section 5, Part A, paragraph 4.
<i>Owner of Qualifying Product at Time of Slaughter</i>	means the owner of Qualifying Product immediately after slaughter floor weighing (ie: 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.
<i>Participation Fee</i>	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.
<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 Production Season. That figure will represent the Production History of that Qualifying Company for that Production Season.
<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.

Beef & Veal

SECTION TWO

Qualifying Product means beef and veal from livestock slaughtered in a USDA Listed Premises, measured as dressed carcass hot weight. In the case of bobby veal, an industry agreed coefficient could be applied in order to bring the measurement of bobby veal carcasses into line with that of beef carcasses.

Qualifying Product Owned at Time of Slaughter refer to the definition of Owner of Qualifying Product at Time of Slaughter.

Quota Year means a year commencing 1 January and ending 31 December.

Reserved Quota Allowance 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

Tariff Rate Quota ("TRQ") means the Tariff Rate Quota negotiated between the New Zealand Government and the US allowing the importation into the US of specified quantities of beef and veal at an in-quota tariff rate of 4.4c/kg for most beef products. Imports within the Tariff Rate Quota are also known as "in-quota" imports.

TRQ Certificate means a Tariff Rate Quota Certificate in Form 1, issued by the Board in accordance with US Rules which records, amongst other things, the New Zealand origin of beef and veal, to be imported into the US within the provisions of the TRQ.

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SECTION TWO

- USDA Listed Premises* means premises for the slaughter of livestock which have been confirmed as listed by the United States Department of Agriculture (“USDA”), or had a recommendation for listing submitted to the USDA by the New Zealand Food Safety Authority (“NZFSA”) as meeting the standards for slaughter and/or processing hygiene required by the USDA for exports of beef and veal to the US, and are awaiting confirmation. (See *Qualifying Product*). After an application for tariff rate quota allowance has been accepted the Premises will be entitled to produce USDA Qualifying Product and have that production counted for Production History with effect from the date of recommendation to the USDA for listing by the Compliance and Investigation Group of NZFSA following USDA compliance inspection. NZFSA recommendations must be obtained prior to 31 October in the year prior to the relevant quota year.
- USDA* means the United States Department of Agriculture.
- USTR* means the United States Trade Representative.

NEW ZEALAND MEAT BOARD

Beef & Veal

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 ends.
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	June Production Reports due.
August	10	July Production Reports due. <i>Cross-reference: Transfers and Unused Quota Allowance; Section 10 Forms; Section 17</i>

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SECTION FOUR

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.

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.

Beef & Veal

SECTION FOUR

- 3 If at any time there is an interruption to the importation into the US of beef or veal 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 products 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 13
Forms 5 and 6, Section 17*

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) 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;

Beef & Veal

SECTION FIVE

- (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 a EU/USDA 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;

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SECTION FIVE

- (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:

Beef & Veal

SECTION FIVE

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.

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.

Beef & Veal

SECTION FIVE

- 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 US of beef and veal 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 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 7; 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 beef or veal packages to the US, 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.

Beef & Veal

SECTION FIVE

- 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

INDUSTRY AGREED DISCIPLINES

- 1 All holders of General or Reserved Quota Allowance will be subject to Industry Agreed Disciplines relating to the US.
- 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 beef and veal from New Zealand to the US is, in the opinion of the Board, helping 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.
- 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 beef and veal from New Zealand into the US.

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

**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 licence 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 who is a registered exporter 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.

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SECTION EIGHT

- 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.

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SECTION EIGHT

- 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.
- 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

PRODUCTION WEIGHT CALCULATION

A Qualifying Product

Qualifying Product is beef and veal from livestock slaughtered in a USDA Listed Premises, measured as bone-in dressed carcass hot weight.

For bobby veal, an industry agreed coefficient could be applied in order to bring the measurement of bobby veal carcasses into line with that of beef carcasses.

TRANSFERS AND UNUSED QUOTA ALLOWANCE

A Transfer of Quota Allowance

- 1 A registered exporter under the Act may acquire General Quota Allowance from a holder of General Quota Allowance.
- 2 A registered exporter 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 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.

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SECTION TEN

- 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.

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SECTION TEN

- 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.
- 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, from the commencement of the 2006 Quota Year 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
 - (b) by sending it by facsimile to a number provided to the Board by the company; or

Beef & Veal

SECTION ELEVEN

- (c) by sending it by electronic mail to an address provided to the Board by the company; or
 - (d) 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 second working day after being posted.

TARIFF RATE QUOTA (TRQ) CERTIFICATE

A Completion of the TRQ Certificate

- 1 The TRQ Certificate: Section 17, Form 1.
- 2 The format of the TRQ Certificate 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 Exporters must complete the following sections of the document as appropriate (Note minimum font size allowed is 8pt)

Section 1: Full name and postal address of the exporter.

Section 4: Details of the consignee (optional).

Section 5: Country of destination.

Section 6: The name and voyage number of the carrying vessel. Consignments by air may be indicated by the term “airfreight”.

Section 7: The description of goods must include the following details:

- (a) Product type, ie: whether “BEEF” or “VEAL”;
- (b) Number and kind of packages, ie: cartons;
- (c) Description of goods, ie: “BONE-IN” or “BONELESS”;
- (d) Method of presentation, ie: whether in frozen or chilled form and other such additional information that normally appears on the Bill of Lading and other export documents (eg: shipping marks, container and seal numbers etc.) However, these details may be included on the certificate at the exporter’s discretion.

Beef & Veal

SECTION TWELVE

- (e) EMPICs (Export Meat Product Identification Code) should be provided for each product type.

Cross-reference: EMPIC Codes; Section 16, Appendix Four

Section 8-9: The net weight or mass of the consignment. All weights are to be shown to a minimum of one decimal place in each section.

The remaining sections of the document will be completed by the Board:

Section 2: Official US TRQ Certificate number to be inserted. Note this number commences with the last digit of the Quota Year followed by “NZ”, eg. XNZ*

Section 9: Place and date of issue, signature and seal.

Section 10: Expiry date, 31 December in the Quota Year of issue.

B Issuing procedures

- 1 Exporters should submit to the Board for authorisation one original and two copy certificates covering each consignment, for numbering, date stamping, sealing and signature.
- 2 The Board will return the original and one copy to the exporter and retain the second copy for its 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.

In the case of urgent applications such as airfreight, exporters may submit certificates by fax or e-mail.

* The number signifies the current year i.e.2005=5NZ

C Reissue of certificates

Situations may arise whereby a reissue of a certificate is required. In such circumstances, the exporter should apply to the Board’s Wellington office to have the certificate reissued. The return to the Board of the “original” certificate to be reissued is generally a prerequisite to a new certificate being issued, although the Board retains the discretion to reissue a certificate if a certificate cannot be returned.

D TRQ certification charges

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

Cross-reference: TRQ Certificate, Form 1, Section 17.

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 5 or 6; Section 17 (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 endeavours 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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SECTION THIRTEEN

- 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 7; 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 Applicant, 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 one of the two following activities relating to meat products for export:

Beef & Veal

SECTION FOURTEEN

- (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.
- (h) provide information as to how the granting of Reserved Quota Allowance to the applicant may benefit in any way, by any means, any holder of General or Reserved Quota Allowance.
- 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.

Beef & Veal

SECTION FOURTEEN

- 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.

Beef & Veal

SECTION FOURTEEN

- 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 TRQ Certificates 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.

Beef & Veal

SECTION FOURTEEN

- 2 Any New Entrant that is allocated Reserved Quota Allowance shall have its production performance monitored by the Board.
- 3 TRQ Certificates 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 US Beef and Veal 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

E 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; Section 5, Part A

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.

APPENDICES

Appendix One:	Industry Agreed Disciplines
Appendix Two:	Worked Example
Appendix Three:	Schedule of Fees
Appendix Four:	EMPIC Codes
Appendix Five:	US Import Duties - Guidance Note
Appendix Six:	Quota Allowance Allocation System - Guidance Note

INDUSTRY AGREED DISCIPLINES

Currently, there are no industry agreed disciplines for this Quota.

NEW ZEALAND MEAT BOARD

Beef & Veal

SECTION SIXTEEN

APPENDIX TWO

WORKED EXAMPLE-US BEEF AND VEAL TARIFF RATE QUOTA ALLOWANCE ALLOCATION SYSTEM

(tonnes p.w.)

NZ Tariff Rate Quota 213,402.0

Reserved Quota Allowance (New Entrants) 4,268

Reserved Quota Allowance (samples) 5.0

General Quota Allowance 209,129

		Qualifying Production (tonnes)				Quota Allowance Allocation (tonnes p.w.)				
		Actual			Estimate	General	Reserved			Total
		PH _{i-3}	PH _{i-2}	PH _{i-1}	EP _i	PGQ	PRQ	Adjusted PRQ	Unallocated Reserved Quota Allowance	PGQ+PRQ
A		180,000	160,000	150,000		69,239				69,238.7
B		150,000	100,000	160,000		57,934				57,934.4
C		17,000	20,000	30,000		9,467				9,467.3
D		2,000	2,100	1,800		834				833.7
Other		151,000	192,600	127,400		66,554				66,553.9
										-
New Entrants	Status									-
E	1.0	-	-	-	500		212.0	150.8		150.8
F	1.0	-	-	-	1,000		423.9	301.5		301.5
G	1.0	-	-	-	3,000		1,271.8	904.5		904.5
H	2.0	-	-	300	310	42	86.9	61.8		104.2
I	2.0	-	-	1,500	4,000	212	953.8	678.4		890.4
J	2.0	-	-	3,000	2,000	424	635.9	452.3		876.2
K	3.0	-	300	200	100	71	14.1	10.1		80.7
L	3.0	-	1,000	1,300	2,000	325	282.6	201.0		526.0
M	3.0	-	14,000	14,500	15,000	4,027	2,119.7	1,507.6		5,534.8
Industry Total		500,000	490,000	490,000		209,129	6,001	4,268		213,397.0
		TPH _{i-3}	TPH _{i-2}	TPH _{i-1}				71.1%		5.0
<i>Note: totals may not add due to rounding</i>										213,402.0

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SECTION SIXTEEN

APPENDIX THREE

SCHEDULE OF FEES

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

	\$ (G.S.T) exclusive
Quota Fees	
New Entrant Application Fee	10,500.00
Fixed Participation Fee	2,000.00
Variable Participation Fee (per tonne)	1.80
TRQ Certificate (per certificate)	
Wellington Issued Certificate (electronic)	7.50
Wellington Issued Certificate (manual)	25.00
- Not issued	50.00
- Cancelled	50.00
- Credit	50.00
Transfers	
General Quota	50.00
Reserved Quota Allowance	50.00
Production History	500.00
Quota Utilisation Reports	Nil
Miscellaneous	
Production / Export History Audits	Actual
Company Compliance Audits*	Actual

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

Note:

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

Beef & Veal

SECTION SIXTEEN

EMPIC CODES (Export Meat Product Identification codes)

APPENDIX FOUR

Same Number for Chilled or Frozen, Number ends with either C or F									
	Premium	Prime	Bull	Manuf	YLB (XY)	VEAL	Bobby Veal	White Veal	
BEEF - GRASS FED									
CARCASE									
L quarter	10110	10210	-	-	-	ccs/sides	10580	10680	
P quarter	10120	10220	-	-	-	other quarters	10599	10699	
T quarter	10130	10230	-	-	-	BONEIN			
F quarter	10140	10240	-	-	-	legs	11530	11630	
other quarters	-	10299	10399	10499	-	other	11599	11699	
BONEIN						BONELESS			
OP ribs	11110	11210	-	-	11910	legs	12530	-	
Ribs (not OP)	11115	11215	-	-	11915	striploin	12531	-	
shortloin/shell loin	11120	11220	11320	-	11920	backstrap	12539	-	
shin	11130	11230	-	-	11930	trunks	12560	-	
other	11199	11299	11399	11499	11999	trimmings	12570	-	
BONELESS						other	12599	12699	
Inside/topside	12101	12201	12301	12401	12901	FANCY	Beef	B/Veal	
outside/silverside	12102	12202	12302	12402	12902	Fancy	Fancy	Fancy	
flat	12103	12203	12303	12403	12903	sweetbreads	13000	13500	
eye of round	12104	12204	12304	12404	12904	brains	13010	13510	
knuckle	12111	12211	12311	12411	12911	heartis	13020	13520	
thick flank	12112	12212	12312	12412	12912	kidneys	13030	13530	
thin flank	12113	12213	12313	12413	12913	livers	13040	13540	
rump/top sirloin	12121	12221	12321	12421	12921	tongues	13050	13550	
striploin	12131	12231	12331	12431	12931	thick skirts	13061	-	
rib eye/cube roll	12141	12241	12341	12441	12941	thin skirts	13062	-	
shoulder clod	12151	12251	12351	12451	12951	heads	13070	-	
brisket point end	12161	12261	12361	12461	12961	cheeks	13071	-	
brisket navel end	12162	12262	12362	12462	12962	tripe	13075	-	
chuck	12163	12263	12363	12463	12963	tail	13080	-	
chuck roll	12164	12264	12364	12464	12964	lungs	13085	-	
chuck tender	12165	12265	12365	12465	12965	bones	13090	13590	
shank	12167	12267	12367	12467	12967	other fancy meats	13099	13599	
flanksteak	12168	12268	12368	12468	12968	INEDIBLE BEEF	14000		
trimmings - upto 65cl	12170	12270	12370	12470	-	PROCESSED	15000		
trimmings - over 65cl	12175	12275	12375	12475	-	OTHER	19000		
< 84cl (not trimmings)	-	-	12380	12480	-	other meats	19011		
85-89 cl	-	-	12385	12485	12985	corned - canned			
90-92 cl	-	-	12390	12490	12990	ineligible for quota =			
93-94 cl	-	-	12393	12493	12993				
95 cl & over	-	-	12395	12495	12995				
100 vl	-	-	12398	12498	12998				
other	12199	12299	12399	12499	12999				

UNITED STATES BEEF IMPORT DUTIES – GUIDANCE NOTE

Introduction

This guidance note explains how the US Customs and Border Protection applies import duties to in-quota and out-of-quota beef product imported into the USA, as well as explaining the application of US safeguard duties to beef product.

This guide is not intended as a comprehensive interpretation of US Customs legislation. Those wishing to gain a detailed understanding should contact an importer, licensed US Customs broker or legal adviser.

Import Duties

The regulatory entity that establishes rules and regulations governing imports into the USA is the United States Customs and Border Protection, operating under US Dept of Homeland Security.

The US Customs and Border Protection has the ability to apply three distinct levels of import duty to imports of New Zealand beef into the USA: In-Quota Import Duties, Out-of-Quota Import Duties and Safeguard Duties. The tariff rates and bases applicable to each type of duty are detailed on page 3 of this Appendix.

1 In-Quota Tariff

Pursuant to the TRQ negotiated between the New Zealand and US Governments, an in-quota tariff rate of US 4.4 cents/kg is applied to most imports of New Zealand beef product. Some in-quota beef products are subject to ad valorem percentage duties.

2 Out-of-Quota Tariff

For beef product imported outside the US TRQ a 26.4% ad valorem tariff applies, based on FOB value. Note that in addition to the out-of-quota tariff, safeguard duties may also be applied to beef product shipped out-of-quota.

3 Safeguard Duties

The GATT Uruguay Round permits countries to impose safeguard duties in the event that import volumes or price levels of certain agricultural imports exceed pre-determined

Beef & Veal

SECTION SIXTEEN

APPENDIX FIVE

thresholds. Safeguard duties may be imposed in addition to any import duties established under Uruguay Round commitments.

In the case of the US, the value-based safeguard duties apply to beef imported outside the quota if the CIF value is less than a certain level. For boneless beef imports into the US the CIF price below which safeguard duties are imposed is US\$1.70/kg (US77.1c/lb). The lower the CIF value, the higher the safeguard duty. For frozen boneless beef and veal the safeguard duty reduces on a sliding scale from US 75.3 cents/kg for product valued at less than US 30 cents/kg CIF to zero for product valued at US \$1.70/kg CIF or greater.

Because when safeguard duties apply the total out-of-quota duty payable is a combination of both CIF and FOB- based values, the charges that distinguish between FOB and CIF can make a significant difference to total import duty payable. This should be considered when exporters are evaluating whether out-of-quota shipments of low value product liable to safeguard duties are competitive with other market opportunities for that product.

Worked Example

The difference in import duties payable on in-quota and out-of-quota beef product can impact significantly on the returns obtainable from beef exports to the US. This is illustrated in the following example which demonstrates the reduction in FOB returns from exporting boneless beef product out-of-quota, against shipping the same boneless beef product in-quota. The example is made under the assumption that the same landed price (US\$2.00/ kg) will be realised under both in-quota and out-of-quota scenarios.

Beef & Veal

SECTION SIXTEEN

APPENDIX FIVE

	In-Quota		Out-of-Quota	
	USD/kg	USD/lb	USD/kg	USD/lb
Landed Price	\$2.000	\$0.907	\$2.000	\$0.907
Import Duties				
In-Quota Import Duty ¹	\$0.044	\$0.020	-	-
Out-of-Quota <i>ad valorem</i> Import Duty ²	-	-	\$0.392	\$0.178
Safeguard Duty ³	-	-	\$0.021	\$0.010
Total Import Duties	\$0.044	\$0.020	\$0.413	\$0.188
CIF Value	\$1.956	\$0.887	\$1.587	\$0.720
International Charges ⁴	\$0.100	\$0.045	\$0.100	\$0.045
FOB Value	\$1.856	\$0.842	\$1.487	\$0.674

Notes

¹ In-Quota tariff rate assumed at 4.4c/kg.

² Out-of-Quota ad valorem tariff rate at 26.4% FOB.

³ Safeguard Duty at US2.1c/kg, representing the US\$1.50-US\$1.69 CIF band.

⁴ Including freight and insurance.

The example demonstrates that for out-of-quota product shipped to the US, the additional import duties the product will incur on arrival can significantly impact on the net FOB returns obtainable from that product against opportunities other markets may provide.

UNITED STATES BEEF AND VEAL IMPORT DUTIES GRAPH

United States Beef and Veal Import Duties														
Description	In-Quota				Out-Of-Quota				Total Duty					
	HS Heading	Strat. HS Code	Description	Duty US\$/kg	HS Code	Stat. suffix	Description	Ad Valorem Duty % of FOB	CIF value (US\$/kg)	Equiv. CIF value (US\$/kg)	Safeguard Duty US\$/kg	HS Code		
													But less than	From
Fresh or chilled	Carcasses and half carcasses	.10	Veal	4.4 c/kg	0201.10.50	.10	Veal		0.00	0.00	66.6	9904.02.01		
		.90	Other			.90	Other		0.25	11.3	49.0	9904.02.02		
	Other cuts with bone in	.00	High-quality beef cuts**	4%		.10	Bison		0.45	20.4	35.0	9904.02.03		
		.00	Other	10%		.10	Bison		0.65	29.5	24.3	9904.02.04		
		.00	Other	4.4 c/kg	0201.20.80	.90	Other		0.85	38.5	47.6	9904.02.05		
		.00	Other	4.4 c/kg		.90	Other		1.05	47.6	56.7	9904.02.06		
	Frozen	Carcasses and half carcasses	.00	High-quality beef cuts**	4%				1.25	1.45	56.7	65.8	9904.02.07	
			.00	Other	10%		.10	Bison		1.45	65.8	0.0	9904.02.08	
		Other cuts with bone in	.00	High-quality beef cuts**	4%		.10	Bison		0.00	0.30	13.6	75.3	9904.02.27
			.00	Other	10%		.10	Bison		0.30	13.6	22.7	9904.02.28	
.00			Other	4.4 c/kg	0201.30.80	.90	Other		0.50	22.7	31.8	9904.02.29		
.00			Other	4.4 c/kg		.90	Other		0.70	31.8	40.8	9904.02.30		
Frozen		Carcasses and half carcasses	.10	Veal	4.4 c/kg	0202.10.50	.10	Veal	26.4% of FOB value	0.00	0.0	6.8	9904.02.09	
			.90	Other			.90	Other		0.15	6.8	15.9	9904.02.10	
		Other cuts with bone in	.00	High-quality beef cuts**	4%		.10	Bison		0.35	15.9	24.9	9904.02.11	
			.00	Other	10%		.10	Bison		0.55	24.9	34.0	9904.02.12	
	.00		Other	4.4 c/kg	0202.20.80	.90	Other		0.75	34.0	43.1	9904.02.13		
	.00		Other	4.4 c/kg		.90	Other		0.95	43.1	52.2	9904.02.14		
	Boneless	.00	High-quality beef cuts**	4%		.10	Bison		1.15	52.2	61.2	9904.02.15		
		.00	Other	10%		.10	Bison		1.35	61.2	70.3	9904.02.16		
		.00	Other	4.4 c/kg		.90	Other		1.55	70.3	0.0	9904.02.17		
		.00	Other	4.4 c/kg		.90	Other		0.00	0.30	13.6	75.3	9904.02.27	
Boneless	.00	High-quality beef cuts**	4%		.10	Bison		0.30	13.6	22.7	9904.02.28			
	.00	Other	10%		.10	Bison		0.50	22.7	31.8	9904.02.29			
	.00	Other	4.4 c/kg	0202.30.80	.90	Other		0.70	31.8	40.8	9904.02.30			
	.00	Other	4.4 c/kg		.90	Other		0.90	40.8	49.9	9904.02.31			

Source: Harmonized Tariff Schedule of the United States (2002) - pages 2-1 to 2-3, 99-163 to 99-165.

Notes

* The term "processed" covers meats which have been ground or comminuted, diced or cut into steaks for stew meat or similar uses, rolled and skinned, or specially processed into fancy cuts, special shapes, or otherwise made ready for particular uses by the retail consumer.
 ** The term "high-quality beef cuts" means beef specially processed into fancy cuts, special shapes, or otherwise made ready for particular uses by the retail consumer (but not ground or comminuted, diced or cut into steaks for stew meat or similar uses, or rolled or skinned), which meets the specifications in regulations issued by the U.S. Department of Agriculture for Prime or Choice beef, and which has been so certified prior to exportation by an official of the government of the exporting country, in accordance with regulations issued by the Secretary of the Treasury after consultation with the Secretary of Agriculture.

Beef & Veal

SECTION SIXTEEN

APPENDIX SIX

QUOTA ALLOWANCE ALLOCATION SYSTEM

GUIDANCE NOTE - US BEEF AND VEAL 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 United States at the tariff rates listed below up to the quantities specified. The out-of-quota tariff rates are also given. These apply to product imported outside the quota.

United States

Product type	Annual Quota Amount	In-quota Tariff Rate	Quota Year	Out-of-Quota Tariff Rate
Beef and Veal; CN code 0201 and 0202	213,402 tonnes (product weight)	US\$4.4c/kg on most beef products	1 January – 31 December	26.4%

Allocation

To whom is quota allocated ?

Qualifying Companies

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

New Entrants

which are those companies that:

- are (or are expected to be by a time approved by the Board) a registered exporter prior to the use of Reserved Quota Allowance;

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 beef and veal from livestock slaughtered in a USDA Listed Premises and measured as dressed carcass hot weight.

- 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)

Beef & Veal

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 US Beef and Veal are:

US Beef & Veal

	US Beef & Veal
General Quota Allowance Applications	15 October
Reserved Quota Allowance Applications	1 September

TRQ certificates

TRQ certificates are required for product to be imported within the terms of the Tariff Rate Quota. Completed TRQ certificates showing the details of the consignment must be submitted by the exporter to the Board for authorisation. On receipt of the authorised document, it is then the responsibility of the exporter to forward the certificate to the importer.

FORMS

Index to forms

TRQ Certificate

- 1 TRQ Certificate (Refer Section 2, definition of TRQ Certificate; and Section 12)

Production Reports

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

Transfers

- 3 Transfer of US Beef and Veal Quota Allowance (Refer Section 10, Part A, paragraph 4)
- 4 Transfer of US Beef and Veal Production History (Refer Section 10, Part C)

Applications

- 5 Application for US Beef and Veal General Quota Allowance (Refer Sections 4 and 13)
- 6 Application by a Consortium for US Beef and Veal General Quota Allowance (Refer Sections 4, 8 and 13)
- 7 Application by a New Entrant or New Entrant Consortium for US Beef and Veal Reserved Quota Allowance (Refer Sections 5, 8 and 14)

Beef & Veal

SECTION SEVENTEEN

FORM TWO

PRODUCTION REPORT

- This report relates to the Quota Allowance Allocation System in respect of United States Beef and Veal Tariff Rate Quota (“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.

Beef & Veal

SECTION SEVENTEEN

FORM TWO

PRODUCTION REPORT

Month/Period Owner at Time of Slaughter
 Company Signed (by Contact Person)
 Date: Contact Person
 USDA Listed Premises (Establishment Number).....

	SEASON	Carcasses (number)	Bone-in Dressed carcass Hot Weight (tonnes)
STEER and HEIFER	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		
COW	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		
BULL	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		
BOBBY VEAL	Production to date		
	Current Month/Period		
	Estimate for balance of season		
	TOTAL		

Qualifying Product means beef and veal from livestock slaughtered in a USDA Listed Premises, measured as dressed carcass hot weight. In the case of bobby veal, an industry agreed coefficient could be applied in order to bring the measurement of bobby veal carcasses into line with that of beef carcasses.

- Cow included manufacturing and prime cow.

Beef & Veal

SECTION SEVENTEEN

FORM THREE

TRANSFER OF US BEEF AND VEAL QUOTA ALLOWANCE

- This form relates to the Quota Allowance Allocation System in respect of **United States Beef and Veal 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 (eg. contract number):
	Name of company:	
TRANSFeree	ER Number:	Reference (eg. 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		

Beef & Veal

SECTION SEVENTEEN

FORM FOUR

TRANSFER OF US BEEF AND VEAL PRODUCTION HISTORY

- This form relates to the Quota Allowance Allocation System in respect of **United States Beef and Veal 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 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		

Beef & Veal

SECTION SEVENTEEN

FORM FIVE

APPLICATION FOR US BEEF AND VEAL GENERAL QUOTA ALLOWANCE

- This application is made in terms of the Quota Allowance Allocation System in respect of **United States Beef and Veal 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

--

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 (eg. Chief Executive, Marketing Manager).

Name:
Position:

Name:
Position:

Beef & Veal

SECTION SEVENTEEN

FORM FIVE

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 in this application.
- (d) The required participation fee is enclosed.

Signature:

Name:
(please print)

Position:

Date:

APPLICATION BY A CONSORTIUM FOR US BEEF AND VEAL GENERAL QUOTA ALLOWANCE

- This application is made in terms of the Quota Allowance Allocation System in respect of United States **Beef and Veal 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**.

Beef & Veal

SECTION SEVENTEEN

FORM SIX

NAME OF CONSORTIUM (for quota allowance allocation purposes)

CONSORTIUM DETAILS

Member	Details
<p>Name:</p> <p>Role in consortium: (eg: Owner at Time of Slaughter, marketing)</p>	<p>Postal Address:</p> <p>Street Address:</p> <p>Email: Telephone: Facsimile: ER Number</p>
<p>Name:</p> <p>Role in consortium: (eg: Owner at Time of Slaughter, marketing)</p>	<p>Postal Address:</p> <p>Street Address:</p> <p>Email: Telephone: Facsimile: ER Number</p>
<p>Name:</p> <p>Role in consortium: (eg: Owner at Time of Slaughter, marketing)</p>	<p>Postal Address:</p> <p>Street Address:</p> <p>Email: Telephone: Facsimile: ER Number</p>

Beef & Veal

SECTION SEVENTEEN

FORM SIX

NOMINEE COMPANY

Company (being a member of the consortium) nominated by consortium to hold quota allowance on behalf of consortium. The nominee company must be a holder of an ER.

--

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

CONTACT PERSONS

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

Name:
Position:

Name:
Position:

Beef & Veal

SECTION SEVENTEEN

FORM SIX

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

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%

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

SECTION SEVENTEEN

FORM SIX

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:

.....

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SECTION SEVENTEEN

FORM SIX

Consortium Member

Company Name:

.....
Signature:

.....
Name: (Please print)

.....
Position:

.....
Date:

.....

Consortium Member

Company Name:

.....
Signature:

.....
Name: (Please print)

.....
Position:

.....
Date:

.....

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SECTION SEVENTEEN

FORM SEVEN

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)	

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.

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SECTION SEVENTEEN
FORM SEVEN

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

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SECTION SEVENTEEN
FORM SEVEN

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 be a registered exporter.

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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.

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%	Total: 100%

Existing General Quota Allowance

Consortium Member Name	Share (%)
Total: 100%	

Existing Reserved Quota Allowance

Consortium Member Name	Share (%)
Total: 100%	

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SECTION SEVENTEEN

FORM SEVEN

Part II

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.

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.

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SECTION SEVENTEEN

FORM SEVEN

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 TRQ Certificates 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)