

HORIZON

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Brexit prospects for UK beef and sheep meat trade



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FOREWORD

AHDB has been at the forefront of analysis and insight relating to Brexit's impact on UK agriculture. We have explored areas including trade, policy, availability of labour and the regulatory environment in our Horizon series of publications in order to help farmers and growers understand the changes ahead and how they can best prepare their businesses in these uncertain times.

At the time of writing (January 2019), there remains considerable uncertainty regarding many aspects of Brexit, including the UK's future trade relationship with the European Union (EU). The prospect of a 'no deal' Brexit cannot be ignored and we now find ourselves in a very fluid and rapidly changing political environment. A 'no deal' scenario could have a seismic impact on UK

trade in agricultural products and, subsequently, major implications for all of the UK's agricultural sectors. It is crucial that this is understood by farmers and policy makers if disruption throughout the industry is to be avoided.

In response, AHDB will be publishing relevant information to help our farmers and growers understand the evolving situation, what it means for them and how they can prepare.

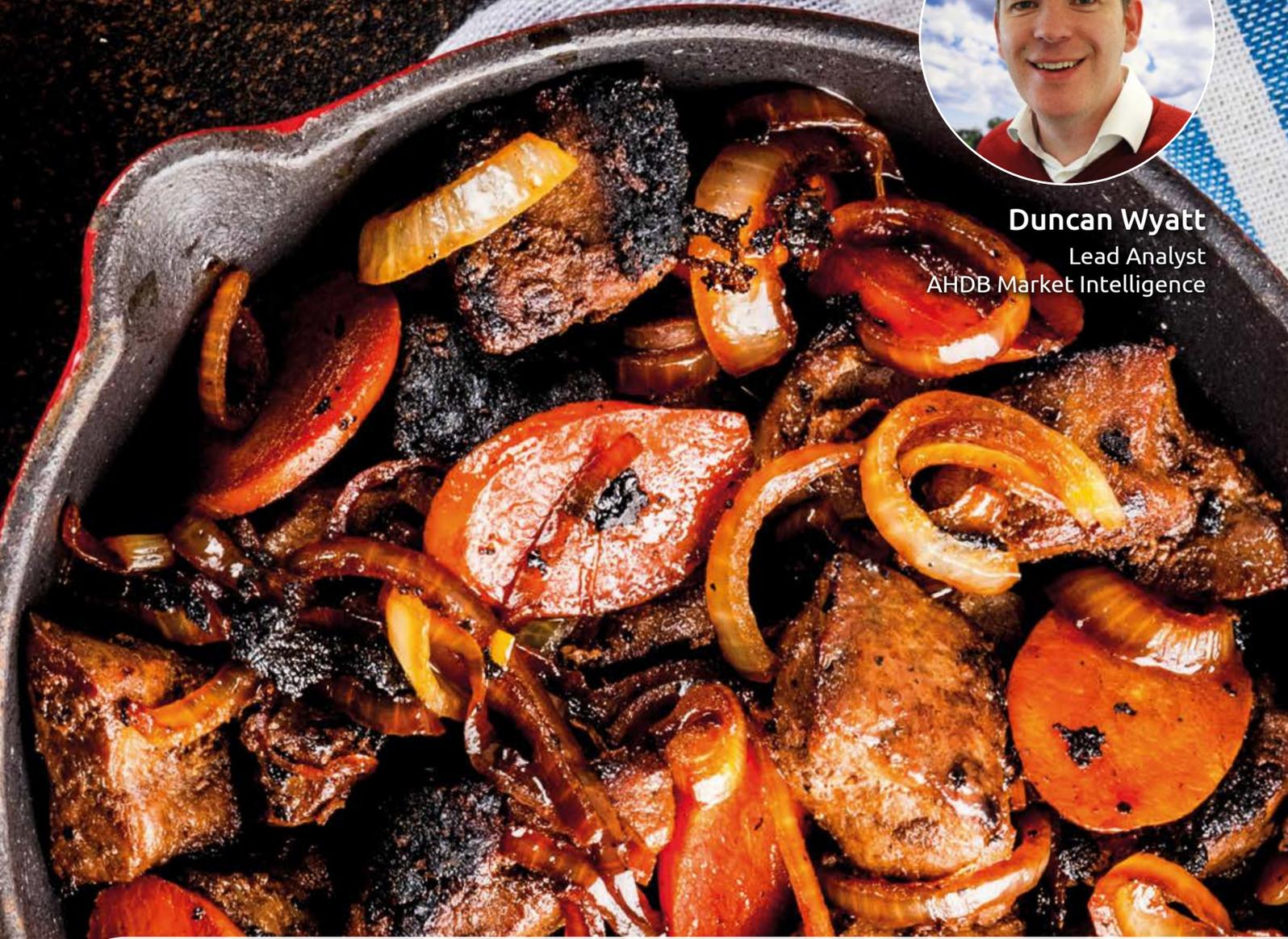
The aim of this report is to provide readers with an understanding of how Beef and Lamb trade could be affected once the UK leaves the EU, under both an agreed withdrawal and under a 'no deal' scenario.



BEEF



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UK beef exports to non-EU destinations have increased recently, although they can struggle to be price-competitive. As a result, opportunities lie in exporting premium cuts, such as topside and fillets to China, for example, and promoting the UK's pasture-based production systems. Arguably, the biggest potential gain for UK beef exports could be for lower-value cuts and offal products, which have less value on the domestic market but are more highly valued elsewhere, for example in China and West Africa. This would likely improve overall returns to the UK industry as it improves carcass balance, using more of the animal.

We could see higher exports to China and Hong Kong in the future. Beef imports in these markets are forecast to increase considerably over the next few years. Good news for the UK is that China lifted its 20-year ban on beef imports in June 2018, imposed following the outbreak of BSE. The UK is now in market access negotiations, which typically take around three years, but in the five years after that the trade could be worth as much as £250 million.

It's worth bearing in mind that the UK will face strong competition from Australia and New Zealand – countries that already have free trade agreements

with China in place. On top of that, production in some of the major global beef producers, such as the USA and Argentina, is expected to increase in the long term. Both of these countries benefit from economies of scale as their production becomes increasingly commercialised.

If tariffs are imposed on UK beef exports to the EU, exports will be limited considerably. The tariffs could be as high as the price of the product itself, if not more. This would really reduce the price competitiveness of UK beef on that market. In a 'no deal' situation, the UK would need to be registered

as a third country by the EU, with exports of beef and other products of animal origin needing to carry an export health certificate approved by the EU. Although the process is underway, there's no guarantee that the paperwork will be in place for exports to the EU to continue unhindered from 30 March 2019.

Overall, the UK is a net importer of beef and so any tariffs on imports could have a large effect on the domestic market. Most UK beef imports are from the EU, so if the UK decided to impose tariffs on these, domestic prices would very likely rise. This would probably improve beef farmers' margins (all else being equal), in turn incentivising higher domestic production.

If the UK decided against imposing tariffs on EU beef imports, it would be obliged to do the same for all beef imports, including those from outside the EU. This could lead to higher supplies and so lower domestic prices. For UK producers and processors, increased competition could lead to lower returns, especially for high-value cuts which drive much of the value in the domestic prime cattle market. This issue of food standards would be expected to play a part in future trade negotiations the UK has with other countries.

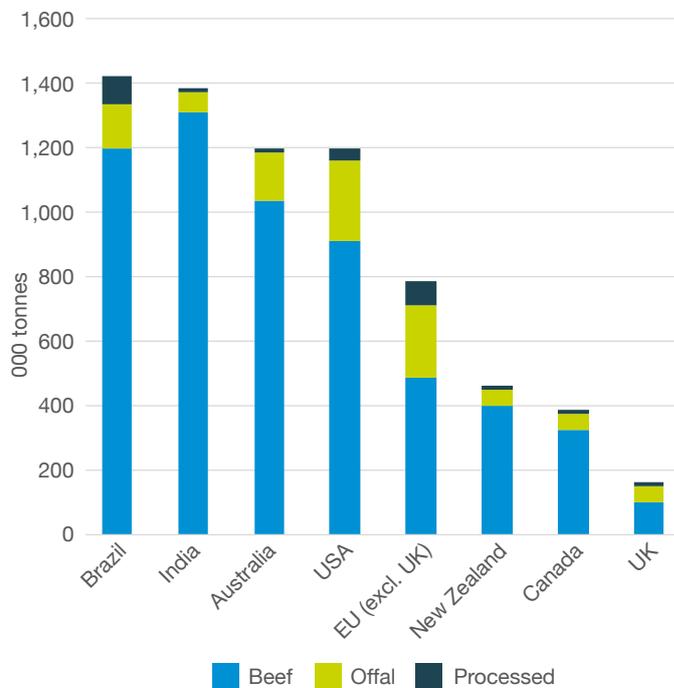


Figure 2. Leading global beef exporters, 2017

Source: IHS Maritime & Trade-Global Trade Atlas®/Local Customs data

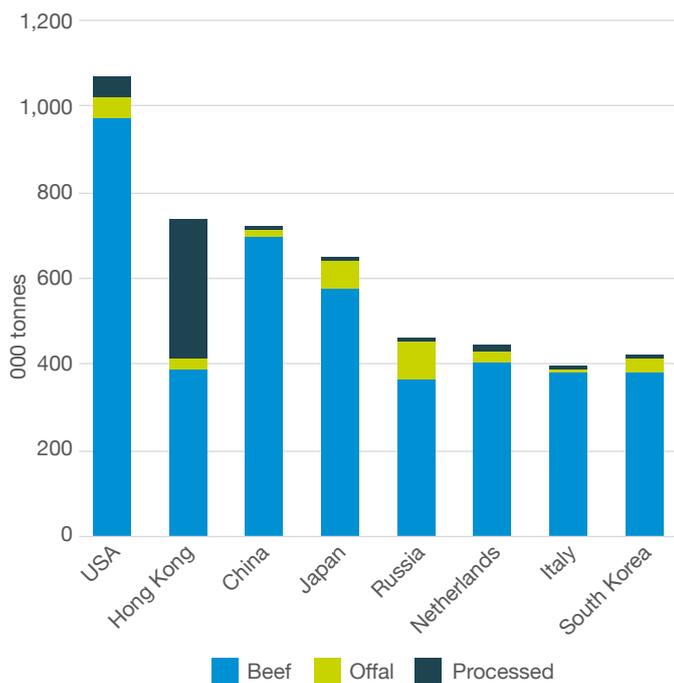


Figure 1. Leading beef and veal product importers, 2017

Source: IHS Maritime & Trade-Global Trade Atlas®/Local customs data

For more information regarding opportunities for UK beef trade, Meat and Dairy – see the AHDB report, Meat and Dairy- Our Prospects in the global marketplace





What's the current trade situation?

The UK exported an average of over 156,000 tonnes of beef and other bovine products per year between 2013 and 2017, equating to an average value of £456 million. Over this period, exports to the EU accounted for an average of 82% of all exports. Generally, exports still remain well below imports levels, which is an enduring effect of the BSE-related ban that was lifted in 2006.

Domestic demand is particularly strong for hindquarter cuts, e.g. sirloin, rump and flank. Although premium cuts account for some shipments, most beef exports are products that are further processed overseas due to limited domestic processing capacity, or products that have higher value in overseas markets, e.g. offal.

Fresh or chilled products are the most significant exports in both volume and value terms (Figure 3). The UK exported an average 84,000 tonnes a year between 2013 and 2017, with a value of £373 million. Within the category, there has been a move towards exporting cuts rather than carcasses, particularly boneless cuts, as the added value during processing is retained on the domestic market.

TOP 5 DESTINATIONS FOR UK BEEF EXPORTS (2017)



Ireland 32%
 Netherlands 23%
 France 8%
 Hong Kong 7%
 Germany 5%

TOP 5 DESTINATIONS FOR UK OFFAL EXPORTS (2017)



Ireland 21%
 Hong Kong 18%
 France 9%
 Germany 8%
 Ghana 6%

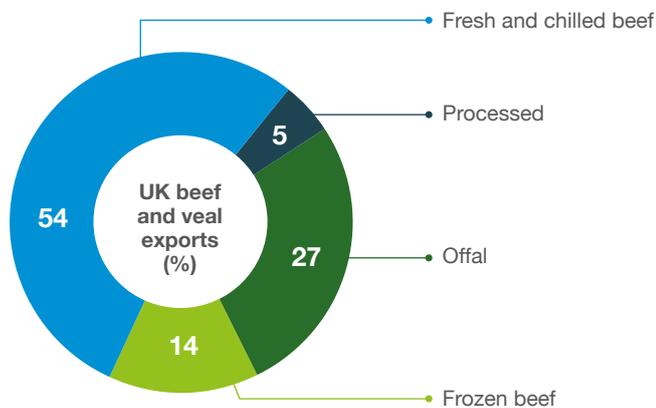


Figure 3. UK beef and veal exports (2013-2017 average)

Source: IHS Maritime & Trade-Global Trade Atlas@HMRC

In recent years, offal exports have remained relatively steady at around 42,000–47,000 tonnes. This follows a period of growth after improved market access outside the EU.

Processed products make up around 5% of exports, which equates to around an average 8,000 tonnes or £27 million per annum (2013–2017). Processed exports were up by 38% year-on-year to 9,000 tonnes in 2017 and, as such, the overall value increased to nearly £35 million.

Just over 80% of total beef exports were to the EU, highlighting the significance of the EU market to the UK beef industry. The growing proportion of exports

to non-EU countries demonstrates that exports are starting to shake off the impact of BSE.

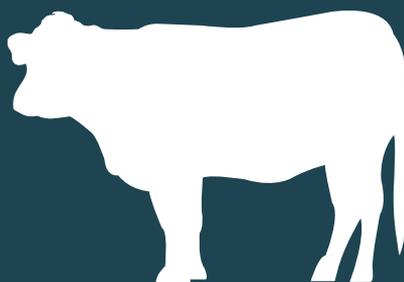
Ireland and the Netherlands are the key export destinations for UK beef, accounting for just over 50% of total exports (2013–2017 average). During the BSE years, the UK lost a significant proportion of processing capacity. As a result, carcasses are exported for processing and some of the processed products return into the UK market. This is known as the ‘carousel effect’. Some of the exports to the Netherlands may also be exported to non-EU countries, as a result of the ‘Rotterdam effect’.

Hong Kong has been growing as a key export outlet in recent years, with exports having increased from 4,300 tonnes in 2013 to 14,500 tonnes in 2017. Frozen offal products make up around 66% of exports to Hong Kong.

The UK imported just over an average of 360,000 tonnes of beef and beef products between 2013 and 2017. In recent years, imports have remained relatively stable. On average, the value of imports is just under £1.3 billion per year.

Imports from the EU accounted for an average of around 86% of the total (2013–2017). Ireland is the dominant supplier, with an average of 63% market share. A proportion of these imports, along with those from the Netherlands, is beef that is produced in the UK but exported for further processing.

TOP 5 DESTINATIONS FOR UK BEEF IMPORTS (2017)



- Ireland 70%
- Netherlands 8%
- Poland 7%
- Other EU countries 9%
- Non-EU countries 6%

TOP 4 DESTINATIONS FOR UK PROCESSED BEEF IMPORTS (2017)



- Ireland 46%
- Brazil 25%
- Poland 10%
- Other EU countries 24%

Fresh and chilled meat made up the majority of imports (an average of 53%) between 2013 and 2017 (Figure 4), which mostly comprised boneless cuts that achieve higher prices as there is little or no further processing required and transports costs are lower. Fresh carcasses accounted for around 10% of imported volumes.

On average, 85,000 tonnes of processed beef and offal products were imported (2013–2017), with an average value of £240 million. Ireland and Brazil supply the majority of processed product to the UK market, having around 43% and 32% (2013–2017 average) market share respectively.

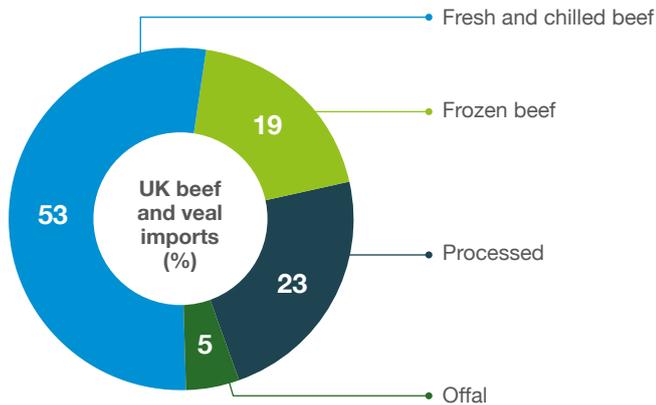


Figure 4. UK beef and veal imports (2013-2017 average)

Source: IHS Maritime & Trade-Global Trade Atlas®/HMRC

What does the domestic supply and demand situation look like?

UK beef and veal production increased from 847,000 tonnes in 2013 to 905,000 tonnes in 2017 (Figure 5). During this period, output increased year-on-year, except between 2016 and 2017. Both higher carcasse weights and increased slaughterings have contributed to the overall rise in production.

The UK is a net importer of beef and around 75% self-sufficient in beef production. Mince is the most widely consumed type of beef in the UK and so the issue of carcasse balance is less of an issue for beef compared with pork or sheep meat.

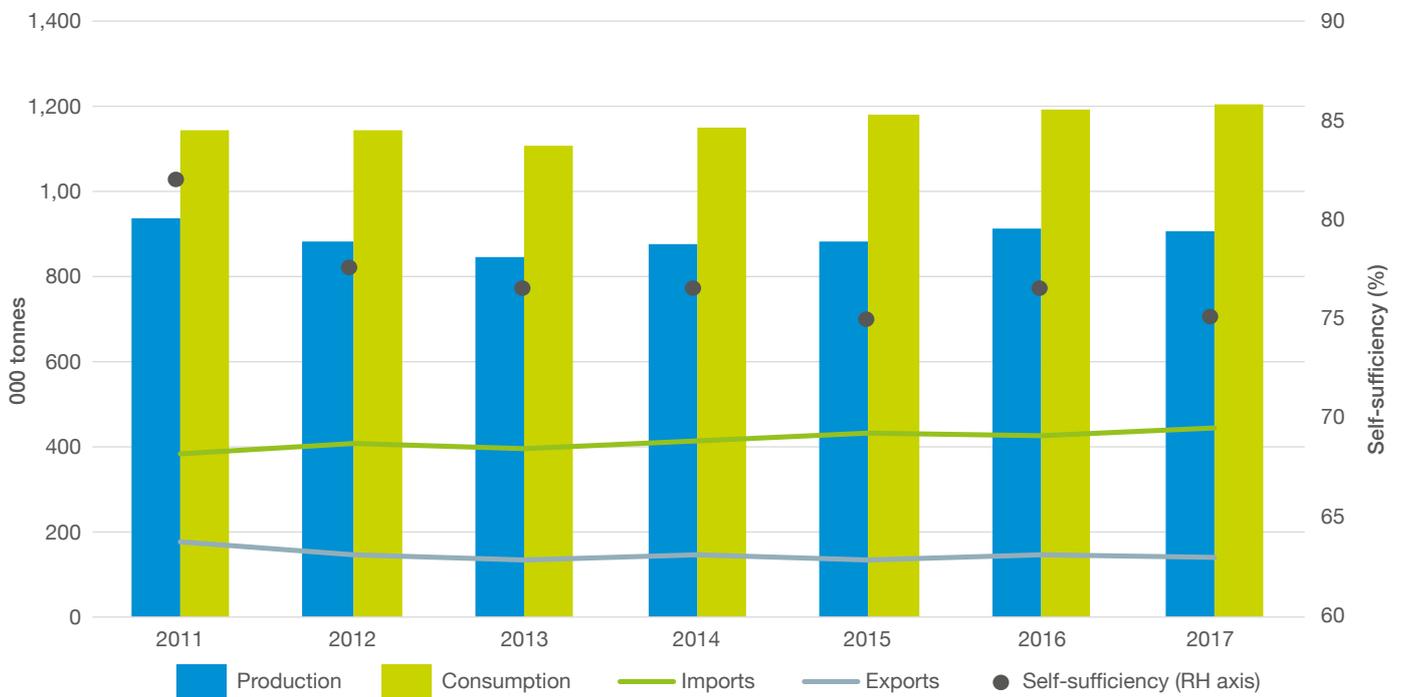


Figure 5. UK beef supply and demand balance

Data in carcasse weight equivalent

Sources: Defra, IHS Maritime & Trade - Global Trade Atlas®/HMRC, AHDB

How could tariffs affect trade?

The majority of beef imports into the EU are subject to ad valorem tariffs of 12.8%, plus an additional fixed amount that can range from €1,414 to €3,041 per tonne, depending on the product. As shown in Table 1, these tariffs could account for well over 100% of the price per unit.

Under a 'no deal' scenario, UK exports could be subject to these tariffs, which would limit access to the EU market. At the time of writing (January 2019), no information is yet available regarding the rate at which UK import tariffs would be set in the event of a 'no deal' Brexit.

The EU already has a number of beef tariff rate quotas, to offer limited access for non-EU nations. The three global quotas that are most often utilised are the autonomous quota for grain fed beef, the 'Hilton' high quality beef (regulation 593/2013) and an *erga omnes* frozen beef quota (regulation 431/2008). Historically, some of the other quotas have been significantly underutilised, which may imply a lack of demand or other markets appearing more attractive in price terms.

There is also a range of non-tariff barriers that may limit market access into the EU – sanitary and phytosanitary (SPS) measures being the main non-trade barrier which are designed to protect consumers and give support to developing countries in improving food-quality standards. For example, there is a ban in Europe on beef from animals that have been treated with hormones, which is a common practice in some exporting nations.

When the UK leaves the EU, existing TRQs will be split between the two (see full report for more details). As it stands, the EU will have access to the largest proportion of most beef TRQs. However, the Australian TRQ (7,150 tonnes) is split 65% in favour of the UK and the *erga omnes* TRQ (63,703 tonnes bone in weight) is split 69% in favour of the UK¹. Given that the UK typically imports around 400,000 tonnes of beef carcass weight equivalent (CWE), it is likely that a considerable portion of imports would be subject to full tariff levels out of quota.

¹ Please note that these percentage splits could change in the future as negotiations are ongoing.



Table 1. Selection of top beef commodities exported by the UK (2017) with effective ad valorem rate comparison (2015 & 2017)

Code	Product	Tariff rate	Effective ad valorem (2015 export unit price)	Effective ad valorem (2017 export unit price)
02013000	Fresh or chilled – Boneless Cuts	12.8% + €303.4/100kg	65%	65%
02023090	Frozen - Other boneless cuts	12.8% + €265.3/100kg	89%	113%
02011000	Fresh or chilled- Carcasses or half carcasses	12.8% + €212.2/100kg	84%	113%
02012090	Fresh or chilled - Other bone-in cuts	12.8% + €265.3/100kg	48%	61%
02012050	Fresh or chilled- Unseparated or separated hindquarters, bone-in	12.8% + €212.2/100kg	70%	70%



How do the UK's costs of production compare with its competitors?

The UK, along with many other countries, struggles to make a profit from beef finishing. Figures 6 and 7 show beef finishing cost of production data for typical farms in selected countries. The number after the country name indicates the total number of animals finished per year.

For beef farms finishing their own suckler calves, the latest data reveals that the UK's production costs are higher compared with the other countries shown, with revenue lower than cash costs. Higher labour costs and greater machinery and building investment by UK farmers are the main factors behind this.

For farms finishing purchased calves, the picture is somewhat better, but the UK struggles to compete with the likes of Brazil and the USA, where commercial beef finishing businesses will employ feed-purchase strategies and only purchase cattle on the basis of making a profit. As a result, the UK will struggle to compete with Brazilian and US beef on the global commodity market and will need to differentiate its product. The UK's reputation for producing high-quality produce at high standards is likely to be attractive for markets where low price is not the most important factor.

If tariffs were imposed on UK beef exports to the EU, but beef imports into the UK were tariff-free, this would lead to lower domestic beef prices and so squeeze margins further for beef finishing. However, if tariffs were applied on both UK beef exports and imports, as the UK is a net

importer of beef, the overall effect would be an increase in domestic beef prices and so lead to improved margins, if all else remained equal.

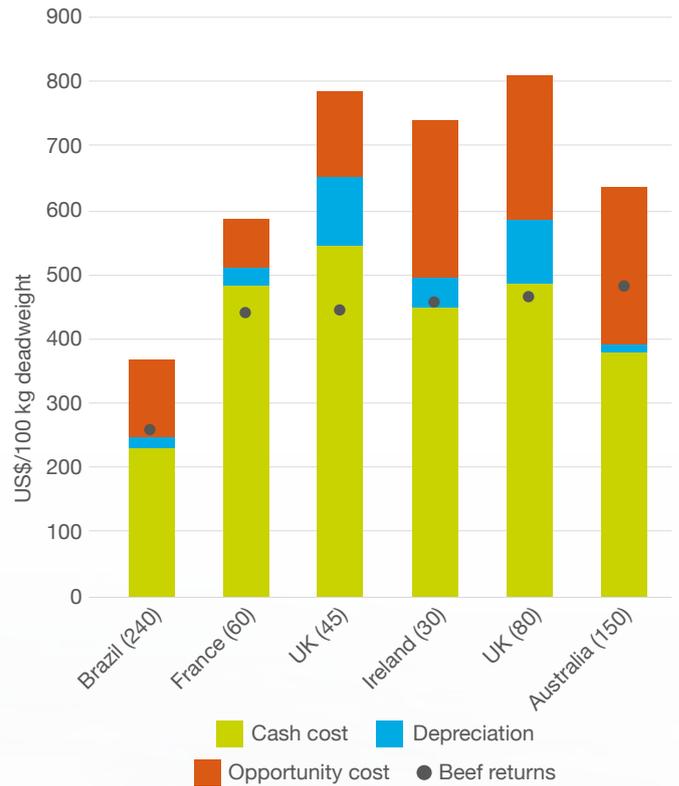


Figure 6. Beef farms finishing own suckler calves 2017

Source: agri benchmark



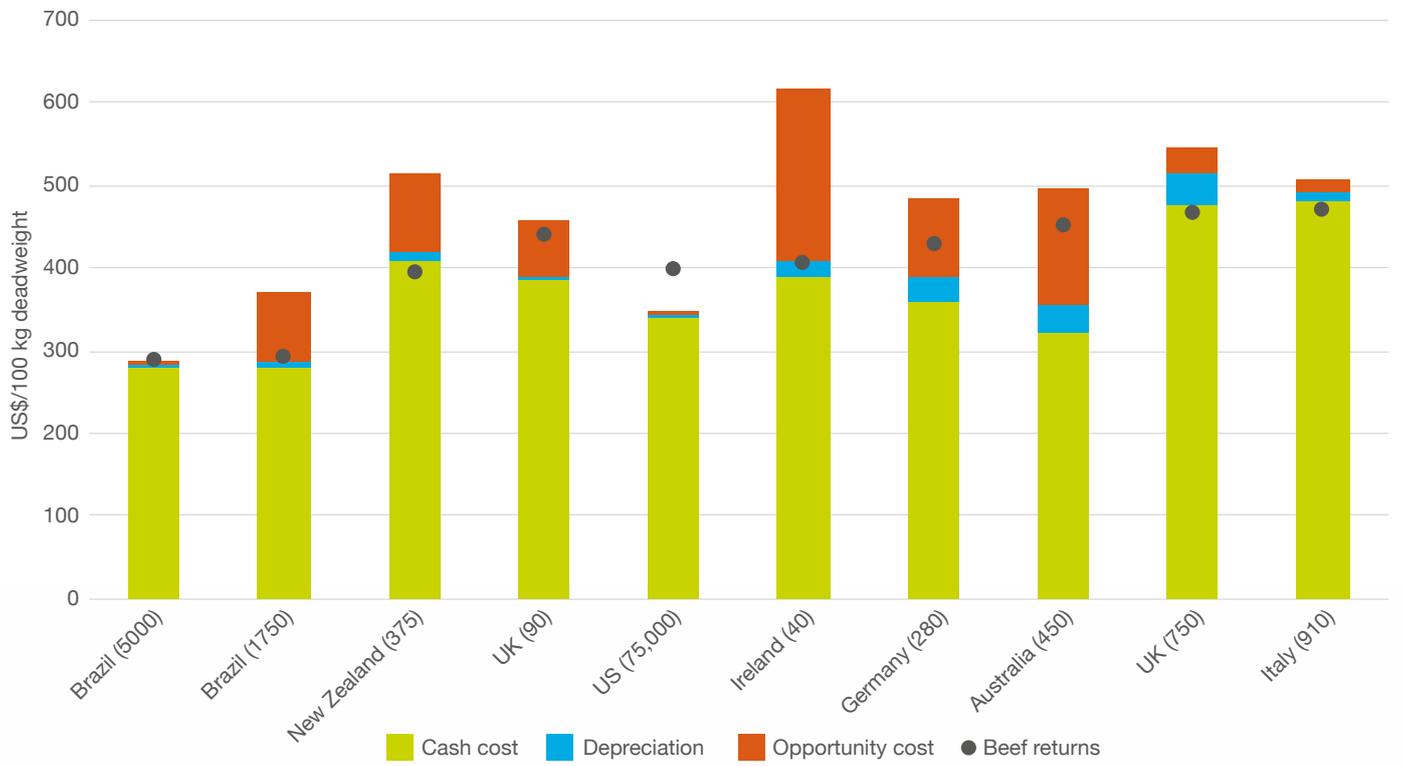


Figure 7. Farms finishing purchased calves 2017

Source: agri benchmark



SHEEP MEAT



Rebecca Osborne

Analyst
AHDB Market Intelligence

UK sheep meat exports could suffer considerably if tariffs come into play. Carcasses make up an important part of what the UK exports to the EU and could potentially be facing tariffs as high as 45-50% of the price of the meat, which would be a blow to our price competitiveness on the export market. Various modelling work, including AHDB's **Brexit Scenarios: An impact assessment**, have shown that domestic prices of sheep meat are likely to fall under these circumstances and considerably reduce the incomes of sheep farmers.

Not only is this a major threat for the UK sheep sector, but there is also the possibility that UK sheep meat exports to the EU could be slowed down dramatically if the necessary export health certification process is slow or cumbersome. The EU will have to approve the UK as a third country to allow it to export products of animal origin to the bloc and the speed at which this process can take place will depend on the EU. If the UK leaves the EU in a 'no deal' situation on 29 March 2019, then at the moment there is a big question mark for sheep meat exports. Tariffs and export health certification may also disrupt cross-border Irish trade as around 40-50% of lambs from Northern Ireland are sent to slaughter in the Republic.

There are, however, some opportunities for UK sheep meat exports to non-EU destinations, especially with the estimated surge of the middle classes in the Asia-Pacific region. The UK could potentially see

sheep meat exports to Japan, following inspections by Japanese officials in summer 2018. Discussions regarding access to the Chinese market for UK sheep meat are also getting underway. There's also the potential to expand the UK's exports of sheep offal to China, as well as to other Asian and African markets.

For sheep meat, however, we need to bear in mind that the UK would face strong competition from New Zealand and Australia, given their proximity to the Asian market and the fact that their costs of production are lower than that of the UK, although there may be a limit to how much output could increase even in these countries. Looking towards the West, the USA and Canada could also offer some prospects for exports of premium cuts, but the fact remains that if the UK is unable to competitively supply sheep meat to the EU from the end of March 2019, there's no other outlet that could come close, where volume is concerned, at least in the near-term.

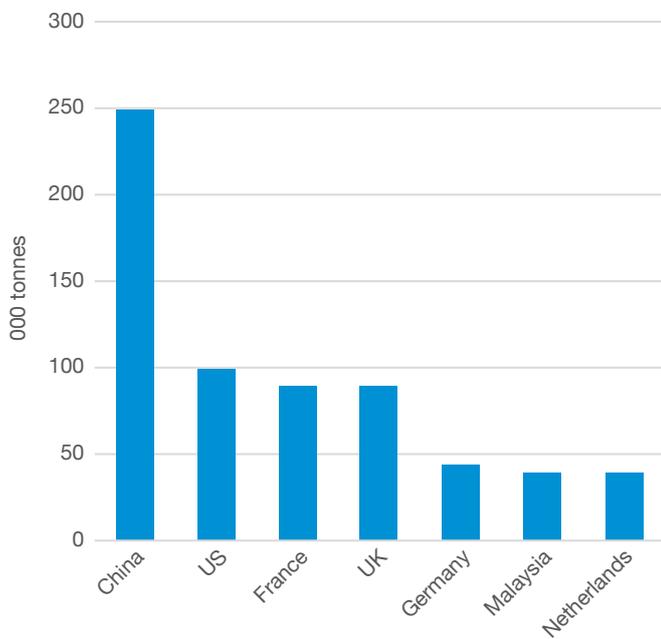


Figure 8. Leading sheep meat* importers, 2017

*Including offal
Source: IHS Maritime & Trade-Global Trade Atlas@/Local customs data

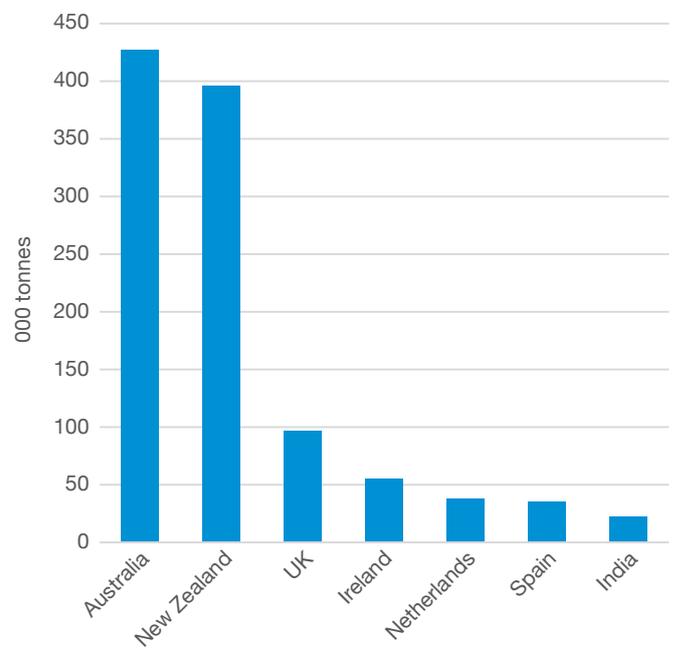


Figure 9. Leading sheep meat* exporters, 2017

*Including offal
Source: IHS Maritime & Trade-Global Trade Atlas@/Local customs data

What's the current situation for trade?

UK sheep meat exports were slightly above the five-year average in 2017 (Figure 10) and worth £392 million. The EU is the main destination for UK sheep meat exports, accounting for an average of 89% of total exports between 2013 and 2017. France and Germany are the UK's main EU trading partners for sheep meat exports. However, there are doubts over the accuracy of trade data from 2015 onwards, especially for exports to France, which are suspected to be higher than official figures show.

The main non-EU export market for UK sheep meat is Asia, accounting for an average of 78% of all non-EU exports (2013–2017). Exports are dominated by carcasses (Figure 11), which have had an average value of £233 million. While offal exports comprise a much smaller share of UK sheep meat exports, they have grown in recent years. Offal exports to Asia reached over 230,000 tonnes in 2017, more than seven times higher than in 2013 and accounting for 42% of all offal exports.

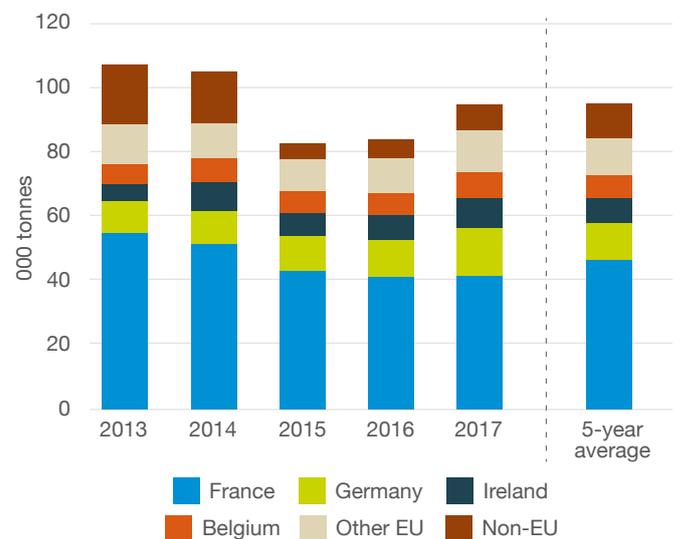


Figure 10. UK sheep meat exports

Note: There are doubts over the accuracy of sheep meat export data from 2015 onwards, as exports are suspected to be higher than what the official figures show. Source: HMRC

For more information regarding opportunities for UK sheep meat trade, see the AHDB report *Meat and Dairy – Our prospects in the global marketplace*

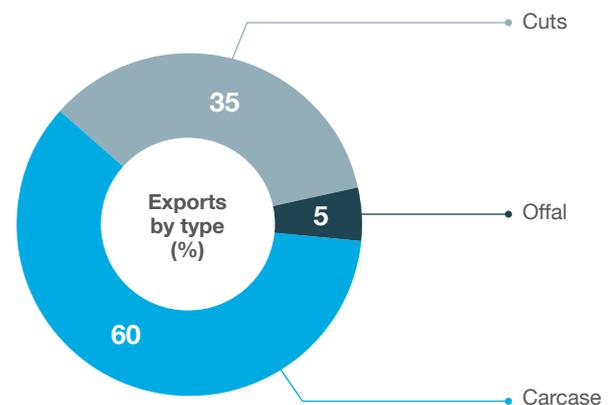


Figure 11. Exports by type (five-year average, 2013–2017)

Source: HMRC

UK sheep meat imports are dominated by shipments from Oceania. Over the past five years, imports from New Zealand have accounted for an average of 74% of all imports (Figure 12). New Zealand's seasonality of sheep meat production is the opposite to that of the UK and so imports from the country help to satisfy UK consumption when domestic production is low. Imports from the EU only averaged 10% from 2013 to 2017, with Ireland the main European supplier.

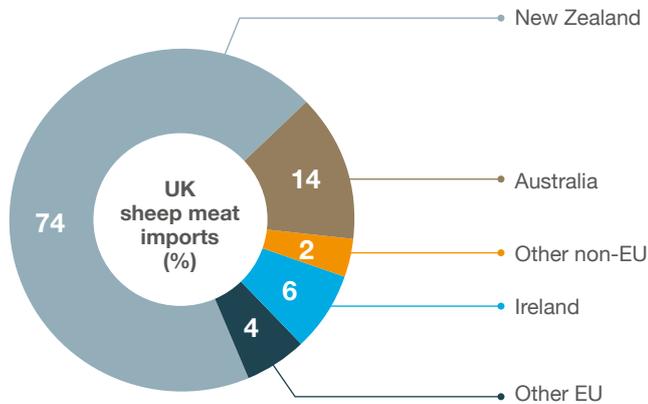


Figure 12. UK sheep meat imports (average 2013-2017)

Source: HMRC

Unlike for exports, imports are dominated by cuts. On average, sheep leg imports over the past five years have comprised 44% of all imports of sheep meat cuts (Figure 13).

Most sheep meat imports are frozen products. On average (2013-2017), 62% of sheep meat imports were of frozen goods. In contrast, 83% of all sheep meat exports were fresh products (2013-2017 average).

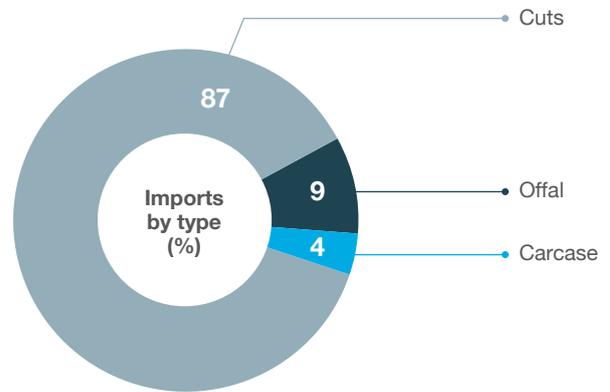


Figure 13. Imports by type (five-year average, 2013-2017)

Source: HMRC

What does the domestic supply and demand situation look like?

Sheep meat production is seasonal, with peak UK production around October/November and a trough in production around April/May. UK sheep meat production was fairly stable between 2013 and 2017, at around 290,000 – 300,000 tonnes (Figure 14). While domestic consumption levels of sheep meat have mostly been in excess of production, in 2017 the supply and demand balance was more evenly matched.

The UK's self-sufficiency in sheep meat increased to almost 100% in 2017 – the highest since 2014. However, as with the other meat categories, it is important to remember that not all of the sheep meat that is produced is in demand by domestic consumers. As discussed earlier, sheep leg imports comprise a considerable portion of sheep meat imports, reflecting that domestic production is insufficient to satisfy UK consumption levels. However, if production of sheep legs is increased, then this will also lead to an increase in other cuts and sheep meat products, for which there may not be enough demand and so would need to be exported.



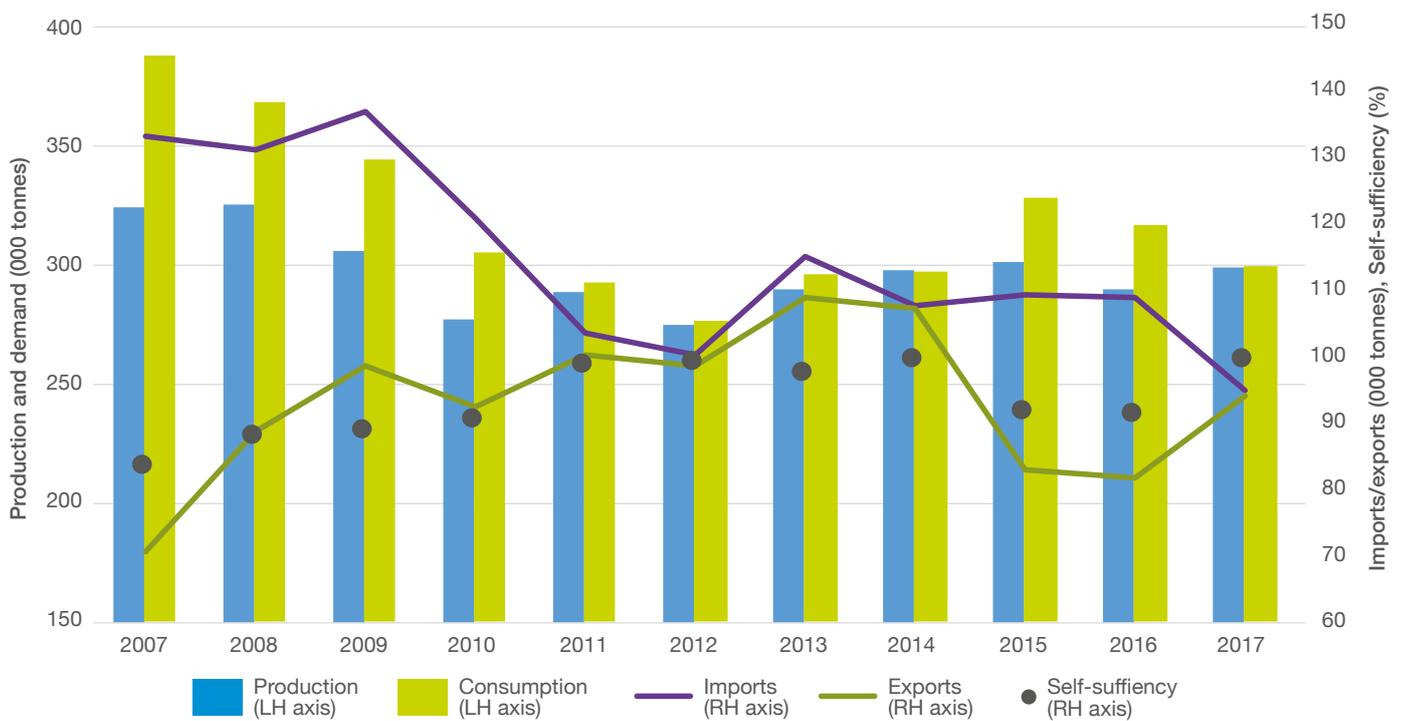


Figure 14. UK sheep meat balance

Trade figures converted to carcase weight equivalent
 Source: Defra, HMRC, AHDB

How could tariffs affect trade?

Tariffs imposed on sheep meat (out of quota) consist of an ad valorem tariff of 12.8%, plus a fixed amount which varies according to the product. Frozen short forequarters have the lowest fixed amount portion of the tariff (€902/t), whilst fresh/chilled boneless cuts have the highest (€3118/t). There are no tariffs on sheep offal.

Under EU rules, certain countries can send sheep meat at a zero or reduced import tariff under a negotiated quota, while others must continue to pay to enter the market. In total, 285,260 tonnes carcass weight equivalent (CWE) of sheep meat can be sent in under quotas. Of these, New Zealand has the highest allocation – 228,254 tonnes CWE – although it only utilised 62% of this in 2017, down 14 percentage points from 2016, according to the latest data from the European Commission. Australia’s allocation is 19,186 tonnes CWE, which it used completely in 2017. In 2015 and 2016, Australia utilised 99% and 96% of its quota respectively.

When the UK leaves the EU, existing TRQs will be split between the two (see full report for more details). For sheep meat imported from New Zealand, the TRQ will be split evenly between the EU and the UK, while the UK will be allocated 80% of the TRQ for sheep meat imports from Australia (20% for the EU). New Zealand and Australia have both expressed their opposition to these splits. As negotiations with third countries affected are still ongoing, these TRQ allocations may change in the future.

If this method is agreed and put in place, then the UK could continue to import sheep meat from New Zealand at current levels tariff-free.

Outside TRQs, and if there is no trade deal in place, sheep meat exports will be subject to tariffs under the WTO third-country basis. The table below shows how the overall effect of tariffs can change. The unit price of the commodity, as well as the euro/pound exchange rate, can exacerbate the net impact, as can be seen for frozen sheep and lamb carcasses.

In a ‘no deal’ scenario, the UK would be subject to EU third-country tariffs on sheep meat imports under WTO rules, which would make it uneconomical for the UK to supply sheep meat to the EU. As a result, higher supplies of sheep meat on the domestic market will put downward pressure on UK prices. Market access to non-EU countries is likely to be difficult, based on the competition from top exporters, Australia and New Zealand.

As well as the possibility of UK sheep meat exports facing prohibitive tariffs, there is also the issue of having recognised export health certification in place post-Brexit, without which trade between the EU and UK would not be possible. Under a ‘no deal’ scenario, the UK will need to be listed as a third country by the EU and lists of products for export to the EU will need approval. As the EU’s response and timing regarding this is uncertain, this could potentially stop exports of sheep meat to the EU for a period of time.

Table 2. Top sheep meat products exported by the UK (2017) with effective ad valorem rate comparison (2015 and 2017)

Code	Description	Tariff rate	Effective ad valorem (2015 export unit price)	Effective ad valorem (2017 export unit price)
02041000	Fresh/chilled lamb carcass	12.8% + €171.3/100 kg	46%	48%
02042100	Fresh/chilled sheep carcass	12.8% + €171.3/100 kg	45%	48%
0204225010	Fresh/chilled sheep legs	12.8% + €222.7/100 kg	42%	43%
0204300010	Frozen lamb carcass	12.8% + €128.8/100 kg	32%	47%
0204410010	Frozen sheep carcass	12.8% + €128.8/100 kg	25%	37%
02044250	Frozen sheep legs	12.8% + €167.5/100 kg	39%	42%

How do the UK's costs of production compare with its competitors?

UK costs of production for sheep meat are markedly higher, compared with New Zealand and Australia (Figure 15). Producers in New Zealand and Australia therefore have more flexibility in maintaining a better margin for their sheep meat.

China, the world's largest sheep meat importer, imposes ad valorem tariffs of 12–15% on lamb and 23% on mutton imports. However, China has free trade agreements in place with both New Zealand and Australia. New Zealand has tariff-free access to the Chinese market, while Australia will have reduced tariff access until 2023, followed by tariff-free access. This further highlights the challenges the UK faces in order to compete with these top exporters.

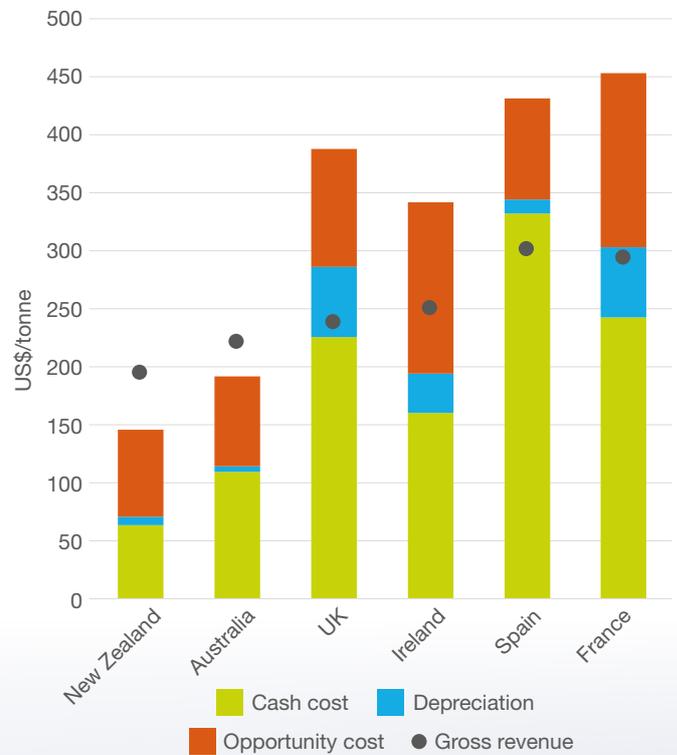


Figure 15. Sheep meat average* cost of production and revenue (2017)

*Average of representative farms in a given country, not the national average
Source: agri benchmark



EU import tariff rates for selected beef and lamb products

The table below covers a selection of the main beef and lamb products either imported or exported by the UK.

Code	Product	Tariff rate	Effective ad valorem rate (2015 prices)	Effective ad valorem rate (2017 prices)
0201	Fresh or chilled beef/veal			
02011000	Carcases or half-carcases	12.8% + €176.8/100 kg	84%	113%
02012020	Compensated quarters, bone-in	12.8% + €176.8/100 kg	61%	69%
02012030	Unseparated or separated forequarters, bone-in	12.8% + €141.4/100 kg	63%	53%
02012050	Unseparated or separated hindquarters, bone-in	12.8% + €212.2/100 kg	70%	70%
02012090	Other bone-in cuts	12.8% + €265.2/100 kg	48%	61%
02013000	Boneless cuts	12.8% + €303.4/100 kg	65%	65%
0202	Frozen beef/veal			
02022090	Other bone-in cuts	12.8% + €265.3/100 kg	160%	90%
02023010	Boneless forequarters (maximum 5 pieces) or compensated quarters in 2 blocks (hindquarter in 1 piece)	12.8% + €221.1/100 kg	123%	190%
02023050	Boneless crop, chuck-and-blade and brisket cuts	12.8% + €221.1/100 kg	79%	68%
02023090	Other boneless cuts	12.8% + €304.1/100 kg	89%	113%
0204	Fresh/frozen sheep meat			
02041000	Fresh/chilled lamb carcasses/half-carcases	12.8% + €171.3/100 kg	46%	48%
02042100	Fresh/chilled adult sheep carcasses/half-carcases	12.8% + €171.3/100 kg	45%	48%
02042210	Fresh/chilled sheep short forequarters	12.8% + €119.9/100 kg	37%	38%
02042230	Fresh/chilled sheep chines/best ends	12.8% + €188.5/100 kg	39%	42%
02042250	Fresh/chilled sheep legs	12.8% + €222.7/100 kg	41%	43%
02042290	Other fresh/chilled bone-in sheep meat cuts	12.8% + €222.7/100 kg	51%	53%
02042300	Fresh/chilled boneless sheep meat	12.8% + €311.8/100 kg	61%	62%
02043000	Frozen lamb carcasses/half-carcases	12.8% + €128.8/100 kg	32%	47%
02044210	Frozen sheep short forequarters	12.8% + €90.2/100 kg	35%	40%
02044230	Frozen sheep chines/best ends	12.8% + €141.7/100 kg	59%	51%
02044250	Frozen sheep legs	12.8% + €167.5/100 kg	39%	42%
02044290	Other frozen bone-in sheep meat cuts	12.8% + €167.5/100 kg	59%	80%
02044310	Frozen boneless lamb	12.8% + €234.5/100 kg	57%	72%
02044390	Frozen boneless mutton	12.8% + €234.5/100 kg	72%	91%

Note: Effective ad valorem rates calculated using export unit prices

Code	Product	Tariff rate	Effective ad valorem rate (2015 prices)	Effective ad valorem rate (2017 prices)
0206	Edible offal			
02061095	Fresh/chilled thick skirt and thin skirt	12.8% + €303.4/100 kg	69%	77%
02061098	Other fresh/chilled bovine offal	Free		
02062200	Frozen livers	Free		
02062991	Frozen thick skirt and thin skirt	12.8% + €304.1/100 kg	143%	175%
02062999	Other frozen bovine offal	Free		
02068099	Fresh/chilled edible offal of sheep and goats	Free		
02069099	Frozen edible offal of sheep and goats	Free		
1602	Prepared or preserved meat			
16025010	Uncooked or mixed cooked/uncooked bovine meat/offal	€303.4/100 kg	71%	68%
16025031	Corned beef in airtight containers	16.6%		
16025095	Other cooked bovine meat/offal	16.6%		
16029061	Other processed products containing uncooked or mixed cooked/uncooked bovine meat/offal	€303.4/100 kg	52%	76%
16029091	Processed sheep meat	12.8%		

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