

Comprehensive Review of the Allocation and Administration of Tariff Rate Quotas for Dairy, Poultry and Egg Products – Phase II: Policy Options for the Administration of Supply-Managed TRQs

Policy element	Option 1	Option 2	Option 3
Reference Period	12-month period preceding the opening of the application period for the respective TRQ. The last month of this period would occur 2 months prior to the opening of the TRQ application period.	N/A	N/A
Normally Active	Require applicants be active in all 12 months during the reference period in order to demonstrate activity.	Require applicants be active at least 9 months during the reference period in order to demonstrate activity.	N/A
Allocation Calculation for Processors/Distributors/Retailers	Base allocation calculations for processor/distributor/retailer applicants on their sales of goods covered by the TRQ.	N/A	N/A
Allocation Calculation for Further Processors	Base allocation calculations for further processor applicants on their use of goods covered by the TRQ.	N/A	N/A
Allocation Caps	No allocation caps.	Use allocation caps - No individual allocation (or set of related-party allocations) may exceed 10% of the available TRQ.	Use allocation caps - No individual allocation (or set of related-party allocations) may exceed 5% of the available TRQ.
Minimum Allocations	Do not establish minimum allocations for any TRQs.	Establish applicant-identified minimum allocations for all TRQs.	Establish TRQ administrator and applicant identified minimum allocations for those TRQs that

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			have significant numbers of applicants.
Allocation of Unallocated Quota	In the event that a TRQ is not fully allocated following the initial allocation process, available quantities will immediately be offered to eligible applicants in proportion to their allocation, and on demand if quantities remain after the first offer.	In the event that a TRQ is not fully allocated following the initial allocation process, available quantities will immediately be offered on demand to eligible applicants.	In the event that a TRQ is not fully allocated following the initial allocation process, available quantities will immediately be offered on demand to any requestor.
Transfer Policy	<p>No restrictions on transfers.</p> <ul style="list-style-type: none"> With the Minister's consent, allocation holders may be permitted to transfer allocations to other allocation holders. 	<p>Limit transfers.</p> <ul style="list-style-type: none"> Potential restrictions include limiting transfers within the allocation holders' pool, restricting transfers to either transferring-out or transferring-in, or limiting the amount of quota that an allocation holder can transfer out. 	<p>Normally prohibited transfers.</p> <ul style="list-style-type: none"> Transfers would only be approved in exceptional circumstances, which would be evaluated on a case by case basis.
Return Date	<p>Standard return date across all TRQs.</p> <ul style="list-style-type: none"> Four months prior to end of TRQ year. 	N/A	N/A
Re-allocation of Returned Quota	All allocation holders - Returned quantities will normally be made available to interested	Pool specific - Returned quantities will normally be made available to interested allocation holders only within the pool under which the	In the event that any quota is returned TRQ it will be made

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	allocation holders who have not returned any unused quantity of their allocation.	return occurred who have not returned any unused quantity of their allocation.	available on demand to any requestor.
Chronic Return Penalty	Chronic returns will not be penalized.	Chronic returns will be penalized. <ul style="list-style-type: none"> • Allocation holders who return 20% or more of their initial allocation for two consecutive years will normally have their allocation reduced in the following year by the average of the returned quantities over the two years. 	N/A
Under-Utilization Penalty	Separate under-utilization rates by industry. <ul style="list-style-type: none"> • Poultry and Eggs – using less than 90% of allocation in any one year may be subject to an under-utilization penalty in the following year. • Dairy – using less than 95% of allocation in any one year may be subject to an under-utilization penalty in the following year. 	95% under-utilization rate across all TRQs. <ul style="list-style-type: none"> • Using less than 95% of allocation in any one year may be subject to an under-utilization penalty in the following year. 	90% under-utilization rate across all TRQs. <ul style="list-style-type: none"> • Using less than 90% of allocation in any one year may be subject to an under-utilization penalty in the following year.