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Russian Federation

Oilseeds and Products

New 5 Percent Import Duty on Soybean Meal

2009

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Report Highlights:

Resolution #70 of January 31, 2009, imposes a duty of 5 percent on soybean meal. The duty increases will be in place for nine months and become effective one month after their publication in Rossiiskaya Gazeta.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Moscow [RS1]
[RS]

Resolution #70 of January 31, 2009, imposes a 5 percent import duty on imported soybean meal (currently duty-free). The new import duty will come to force one month from the official publication of Government Resolution. The Resolution was posted on the Government web-site on February 5, 2009, with the intention of publishing it in the Rossiiskaya Gazeta on February 6, 2009. Thus, it is expected that the 5 percent import duty on soybean meal will likely come to force during the first week of March. Usually the Customs Service of the Russian Federation issue an order in implementation of Government Resolutions concerning changes in custom tariffs, and these orders are published on the web-site www.tks.ru.

Soybean meal has become an important feeding ingredient in poultry and milk production in Russia in 2007-2008. Imports of soybean meal have reached the 10 years' maximum of 820,000 metric tons (MT) in CY 2007. However, in CY 2008 imports of soybean meal decreased to 710,000 MT mostly due to increased domestic crushing of soybeans at the new plant in Kaliningrad¹, and increased domestic production of sunflower seeds and feed grains, which have become competitive alternatives (in prices) to imported soybean meal. Thus, temporary 5 percent import duties on soybean meal will hardly affect domestic poultry and milk industry in the current year, but may influence these industries in the longer run. The devaluation of Russian ruble² coupled with the 5 percent duty will make imported soybean meal less competitive in price than domestic feeds, and protein feeds supply by the end of CY 2009 may shrink. Countries most affected by this increase will be Argentina and Brazil whose exports of soybean meal to Russia in the first 9 months of 2008 totaled \$174.3 million and \$83.5 million respectively. The United States exported \$14.4 million of soybean meal during this same period.

Text of the Resolution #70 of January 31, 2009

Below is an unofficial translation of the Resolution.

Begin text:

Resolution of the Government of the Russian Federation #70 of January 31, 2009 "On Temporary Import Duties on Soybean Meal"

The Government of the Russian Federation decrees the following:

1. To approve for 9 months import duty on soybean meal, TN VED Code³ of Russia 2304 00 000 1, Commodity Nomenclature of Foreign Economic activity of the Russian Federation, approved by the Resolution of the Russian Government #718 of November 27, 2006 "On Customs Tariff of the Russian Federation and the Commodity Nomenclature Used in Economic Activity", at 5 percent of the customs value. For the purpose of applying the rates of import duty, commodities are determined exclusively by codes of TN VED of Russia. Commodity names are listed only as a courtesy.
2. The present Resolution enters into force in a month from the date of its official publication.

Chairman of the Government of the
Russian Federation

V. Putin

End text

¹ For more information see GAIN RS8038 Oilseeds Annual 2008

² By the end of January 2009 exchange rate of \$1 US increased to 36 rubles from 25 rubles in October 2008.

³ TN VED Code of Russia (Customs Nomenclature Code of the Foreign economic Activity of the Russian Federation) is close, but not equal to the US HS Number