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Russian Federation

Livestock and Products

Meat & Poultry TRQ Mechanism Announced for 2009 2009

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Report Highlights:

The Russian government issued Resolution #211 on March 10, 2009, establishing the mechanism for calculating 2009 meat and poultry import quota allocations. This mechanism sets specific quota allocations for 2009 based on average imports from 2005-2007 and allocates only a small portion of the quota to companies that imported over quota volumes in 2008.

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

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Executive Summary

On March 10, 2009, the Russian government issued Resolution #211 establishing the mechanism for allocation of beef, pork, and poultry quotas for 2009. The resolution sets specific quota allocations based on average imports from 2005-2007 and allocates a small portion of the quota for new companies that imported over quota volumes in 2008. Resolution #211 complies with the previous resolution (#828 dated November 7, 2008) that established beef, pork and poultry import volumes for 2009. From December 15, 2008 to August 1, 2009, the Ministry of Economic Development of the Russian Federation is charged with issuing import licenses for total volumes for 2009.

According to Resolution #211, 25 percent of beef, pork and poultry tariff rate quota (TRQ) volumes for 2009 were distributed by December 10, 2008, among companies which imported from January 1- September 30, 2008, and 100 percent of the TRQ will be distributed by April 10, 2009, among companies which imported from January 1 - December 31, 2008, excluding beef, pork or poultry imported from member States of the CIS.

The main portion of meat import quotas will be distributed between the participants of foreign trade activities that imported meat products from 2005-2007, in proportion to the volumes of their shipments. The Russian government did not include 2008 figures in determining 2009 quota allocations due to concerns that meat importers would rush to increase purchases at the end of the year using out-of-quota channels. 2009 TRQ quantities which exceed the amount from the previous year will be allocated to new companies.

Background

The Russian Federal Government Commission for Safeguard Measures in Foreign Trade and Customs and Tariff Policy proposed that the government introduce a 3-year historic basis (2005-2007) to calculate meat and poultry import quotas for 2009 that excludes data from 2008. By using these calculations, the main portion of 2009 meat import quotas would go to those who imported meat products between 2005 and 2007, in proportion to the volumes of their shipments.

Since 2007, in accordance with Government Resolution #732 dated December 5, 2005, "On Importation of Beef, Pork and Poultry Meat in 2006-2009," quotas have been distributed on the basis of the previous year's shipments. In 2007 an amendment was made to distribute 2008 quotas for poultry meat on the basis of 2005 and 2006 shipments.

Meat market analysts have stated that the government is planning to unify quota calculations for all types of meat. It is their view that by removing the preceding year from the base calculation (i.e. removing 2008 data when calculating the 2009 quota), it would prevent the incentive for importers to rush and purchase larger volumes in an effort to secure a bigger share of the next year's quota allocation. Domestic meat and poultry producers complain that sudden spikes in supply could lead to overstocking of the Russian market and cause a severe price decline, hurting Russian meat producers and importers alike.

Russia imposed meat and poultry tariff rate quotas in the spring of 2003 to protect domestic producers. The parameters of these quotas, including country specific allocations, were agreed until the end of 2009. Resolution #732 provides for an annual increase in quota volumes from trading partners up to 2009 as well. In accordance with the quota distribution plan approved by the Russian government, importers can bring up to 450,000 MT of frozen beef (18,500 MT allocated to the United States), up to 28,000 MT of fresh and chilled beef, 531,900 MT of pork (100,000 MT allocated to the United States), and up to 952,000 MT of poultry (750,000 MT allocate to the United States) in 2009. Over-quota supply is permitted

but face high import duties. Russia's customs and tariff policy in regards to meat imports after 2009 should theoretically correspond to the principles of the World Trade Organization (WTO), but they have not yet been developed.

Unofficial Embassy Translation of Resolution #211

Russian Federation Government Resolution #211 dated March 10, 2009, titled, "On Amendments to Resolution No. 732 of the Government of the Russian Federation of December 5, 2005"

The government of the Russian Federation hereby orders the following:

1. Incorporate to paragraph 4¹ of the government Resolution of the Russian Federation from December 5th, 2005 N 732 "About import of beef, pork and poultry in 2006 - 2009" (Collected legislation of the Russian Federation. 2005. N 50. pg. 5317: 2008. N 50. pg. 5947) the subparagraph "a¹" as follows:

"a¹) before April 10, 2009 – the distribution for 2009 of 28.9 thousand MT of goods specified in Item 1 of Attachment 1 to this resolution (including European Union – 28.4 thousand MT, other Countries – 500 MT), 445 thousand MT of goods specified in Item 2 of Attachment 1 to this resolution (including European Union – 351.6 thousand MT, United States – 18.28 thousand MT, Paraguay – 3 thousand MT, other countries – 72.12 thousand MT), 522.7 thousand MT of goods specified in Item 3 of Attachment 1 to this resolution (including European Union – 249.28 thousand MT, United States – 98.24 thousand MT, Paraguay – 1 thousand MT, other countries – 174.18 thousand MT), and 921.28 thousand MT of goods specified in Item 4 of Attachment 1 to this resolution (including European Union – 179.72 thousand MT, United States – 725.76 thousand MT, Paraguay – 3.8 thousand MT, other countries – 12 thousand MT), among the foreign trade participants that imported beef, pork and poultry according to the customs regulations on release for domestic consumption in 2005, and (or) in 2006, and (or) in 2007, in proportion to the average volumes of beef, pork and poultry, imported by these participants to the customs territory of the Russian Federation in 2005-2007, except for such meat products originating and imported from CIS countries and 600 MT of goods specified in Item 1 of Attachment 1 to this resolution (including European Union – 600 MT) 5 thousand MT of goods specified in Item 2 of Attachment 1 to this resolution (including European Union – 3.9 thousand MT, United States – 220 MT, other states – 880 MT), 9.2 thousand MT of goods specified in Item 3 of Attachment 1 to this resolution (including European Union – 4.12 thousand MT, United States – 1.76 thousand MT, other countries – 3.32 thousand MT), and 30.72 thousand MT of goods specified in Item 4 of Attachment 1 to this resolution (including European Union – 6.08 thousand MT, United States – 24.24 thousand MT, other countries – 400 MT) among the foreign trade participants that did not import beef, pork and poultry in 2005, and (or) in 2006, and (or) in 2007 and imported such meat products in 2008, according to the customs regulations on release for domestic consumption, in proportion to the volumes of beef, pork and poultry imported by these participants to the customs territory of the Russian Federation from January 1, 2008 to December 31, 2008, except for such meat products originating and imported from CIS countries; excluding the volume of the goods distributed in accordance with subparagraph "a" of the present paragraph".

2. The present Resolution enters into force from the date of its official publication.

Chairman of the Government of the Russian Federation
Prime Minister Vladimir Putin

Other Relevant Reports

RS9011 Livestock Semi-Annual Report

<http://www.fas.usda.gov/gainfiles/200903/146327427.pdf>

RS9010 Meat and Poultry Prices Update

<http://www.fas.usda.gov/gainfiles/200903/146327404.pdf>

RS 8096 Import Poultry and Meat Duties and Volumes changed for 2009

<http://www.fas.usda.gov/gainfiles/200902/146327326.pdf>

RS8087 Meat and Poultry TRQ Announced for 2009

<http://www.fas.usda.gov/gainfiles/200811/146306457.doc>

RS5084 Meat Tariff Rate Quota Decree Issued

<http://www.fas.usda.gov/gainfiles/200512/146131752.doc>