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Poland

Agricultural Situation

Poland Raises Import Tariffs on Some Foodstuffs

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Prepared by:

Jim Higgiston, Agricultural Counselor

U.S. Embassy Warsaw

Drafted by:

S. Phillips and W. Makowski

Report Highlights:

Poland's 1999 tariffs are the same or lower for most food and agricultural products with some exceptions (pork, malt). Effective tariffs on durum and soybean meal may be higher in 1999 if tariff suspensions are not approved.

Includes PSD changes: No
Includes Trade Matrix: No
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SUMMARY

Poland's annual revision of tariff rates became effective January 1, 1999 with the publication of the new tariff schedule. In addition to the tariff schedule, tariff rate quotas were set for certain products from all countries, CEFTA countries, Estonia, Israel and the Faeroe Islands. The average import tariff for all products (including non-agricultural products) will fall from 4.55 percent to 3.78 percent in 1999. However, tariffs on some food and agricultural products including pork and malt will increase.

The effective tariff on products such as durum wheat and soybean meal will rise in 1999 if the Government of Poland refuses to grant tariff-free quotas or temporary suspensions of the rates listed in the new tariff schedule as they have in the past. While the jury is still out, some Polish officials have indicated that tariff suspensions for durum wheat and soybean meal may be forthcoming.

For the first time, the new tariff regulations limit the size of permits to import within tariff rate quotas for pork, sugar, and wheat. For pork, the maximum amount approved under each permit will be 100 tons. For sugar and wheat, permits will be issued for a maximum amount of 5000 tons per permit. The additional effort required to obtain separate permits to cover reasonable size import quantities from non-European destinations could put non-European pork and wheat exporters at a disadvantage.

The new tariff regulations provide for a further reduction in import tariffs on trade with CEFTA countries. Poland has also granted quotas on some CEFTA foodstuffs including corn, beer, wine, cigarettes and cigars imported from the Czech Republic; cattle, pigs, and meat from Slovenia; and beef, poultry meat and cheese from Bulgaria. Tariffs on goods imported from countries with which Poland recently signed free trade agreements (Estonia, Israel and Faroe Islands) will also be reduced, accompanied by the establishment of quotas from the importation of some goods from these countries.

GRAINS AND OILSEEDS

Basic Tariffs: The tariff rates for grains published in the 1999 version of the annual tariff schedule mirror 1998 levels. Other than the exceptions listed below, the tariff for WTO members on grains will be 20 percent for 1999. In keeping with Poland's WTO obligations, tariffs for soybeans and soybean meal were reduced from 1998 levels of 3.4 and 6.7 percent to 2.9 percent and 5.8 percent, respectively, for 1999.

Preferential Tariffs: Tariff rates lower than the rates for WTO members are available for many products from a number of countries including:

- S Durum imported from the European Union - 10% tariff.
- S Durum imported from Central European Free Trade Agreement (CEFTA). countries - zero tariff.
- S Durum imported from Lithuania - zero tariff.
- S Grain (other than durum wheat, rye and oats) imported from CEFTA - 15% tariff.
- S Barley imported from CEFTA - 18 % tariff.
- S Seed corn imported from CEFTA - zero tariff.
- S Seeds (other than seed corn) from Romania, - 15 % tariff.
- S Seeds (other than seed corn) from Lithuania and Latvia, - zero tariff.
- S Soybean meal imported from the European Union - zero tariff.

Tariff Suspensions: Unlike previous years, no tariff suspension has been published for durum wheat. In 1998, the tariff on durum imported from WTO member countries was reduced from the published tariff of 20 percent to a “suspended” level of 3 percent. According to Polish officials, the Ministry of Agriculture and Food Economy requested a full or partial suspension of the durum wheat tariff in 1999. Ministry of Economy officials report that the Council of Ministers approved a full or partial tariff suspension for both durum wheat and soybean meal on December 30, 1998. However, the regulation outlining this reduction has not yet been published. For the U.S., the major advantage of tariff suspension on durum and soybean meal is to close the gap between preferential tariffs available to EU exporters and the standard tariff required for WTO members.

Tariff Rate Quotas: A tariff rate quota (TRQ) for 388,000 tons of non-durum and durum wheat is available in 1999. Permits to import within the tariff rate quota for wheat are limited to a maximum quantity of 5000 tons each. Within quota tariffs are set at 20% tariff for durum wheat and 25 percent tariff for non-durum wheat. The quota does not appear to offer many advantages since the within quota tariff for durum is the same as the above quota tariff rate for WTO members and the within quota tariff for non-durum wheat is actually higher than the above quota wheat for WTO members. Ministry of Agriculture and Food Economy officials explained that the 388,000 ton quota will probably only be used if the above quota tariffs for wheat are raised later in the year as was the case in 1998. If tariffs are raised later in 1999, Poland could still abide by its association agreement with the EU by making the TRQ available to EU exporters.

Tariff rate quotas for small amounts of grain products (wheat flour, non-wheat flour, groats) were increased according WTO obligations. 1999 quotas and tariffs for starch from corn, wheat, potatoes, rice, manioc and other crops are unchanged from 1998 levels. In 1999, a new 8,280 ton TRQ has been introduced for malt with a within quota tariff of 10 percent. The above quota tariff for malt from WTO member countries is the lower of 20 percent or 7 percent plus 0.19 ECU/kg; roughly double the 1998 level.

TRQs were announced for individual countries in 1999 including the following selected products:

- S 10,000 ton TRQ for corn imported from the Czech Republic at zero tariff. Only half of this quota can enter Poland during each half of CY 1999.
- S 10,000 tons of sugar from Hungary can be imported at 35% tariff.
- S 10,000 tons of sugar from Romania can be imported at 15% tariff.
- S 250 tons of frozen sweet corn can be imported from Israel at zero tariff.
- S TRQs for various high value products, wine and citrus from Israel are available in 1999.

DAIRY, LIVESTOCK AND POULTRY PRODUCTS

Basic Tariffs: The over quota tariffs for pork increased from 60 percent to 83.3 percent, maximum 0.98 ECU/kg, which is the upper limit of the conventional tariff. The over quota tariff for beef and poultry meat remained at 1998 levels, 45 percent and 60 percent (minimum 0.6 ECU/kg), respectively.

Tariff Rate Quotas: The following tariff rate quotas were announced for animal products in 1999 (numbers in brackets represent quotas for 1998). Within quota tariffs for animal products in 1999 remain the same as in 1998.

- S beef fresh, chilled and frozen - 21,348 tons (19,501 tons)
- S pork fresh, chilled and frozen - 42,770 tons (39,060 tons)
- S poultry meat - 43,512 tons (36,460 tons)
- S condensed milk and cream - 4,620 tons (4,620 tons)
- S processed eggs - 116 tons (110 tons)
- S baby chicks - 5 million (5 million)
- S honey - 312.8tons (285 tons)
- S poultry stomachs - 308 tons (281 tons)
- S gelatin - 126 tons (115 tons)

WINE

Import tariffs on wine range from the 30 percent (minimum 42 ECU/hl) tariff on wine from WTO member countries to the 20 percent (minimum 42 ECU/hl) on wine from the EU. Significant TRQs for wine imports are available for the following countries:

- 6,000 hectoliter (hl) TRQ for Czech Rep. at in quota tariff of 15% (minimum 2.5 to 21 ECU/hl);
- 85,000 hl TRQ for Bulgaria at in quota tariff of 15% t (minimum 2.5 to 21 ECU/hl);
- 20,000 hl TRQ for Israel with in quota tariff of 15% (minimum 2.5 to 21 ECU/hl);
- 17,000 hl TRQ for Slovenia with in quota tariff of 15% (minimum 2.5 to 21 ECU/hl);
- 60,000 hl TRQ for Romania with in quota tariff of 15% (minimum 2.5 to 21 ECU/hl);
- 15,000 hl TRQ for Slovak Republic with in quota tariff of 15% (minimum 2.5 to 21 ECU/hl);
- 140,000 hl for Hungary with in quota tariff of 12-15% (minimum 2.5 to 21 ECU/hl).